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## **Southeast Asia Report**

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3 JUNE 1986

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AUSTRALIA

BROAD LEFT CONFERENCE CRITICIZES HAWKE POLICIES

Sydney THE SYDNEY MORNING HERALD in English 1 Apr 86 p 2

[Article by Keith Martin: "Broad Left Unites To Fight Hawke Line"]

[Text]

Australia's political and industrial Left ended a four-day conference in Sydney yesterday with strong criticism of the Federal Government's economic, industrial, social welfare and land rights policies.

The Broad Left conference, drawn from supporters of the left wing of the ALP and a number of socialist and communist groupings, called into question the future of the ACTU-Government Prices and Incomes Accord unless the Government abided by its "social wage" promises.

The Government's proposal to cut social welfare expenditure by \$1.4 billion was the catalyst for this stance.

The Easter conference was the largest gathering of the Left in this country for many years, and its decisions will be difficult for the Hawke Government to ignore, because they were endorsed by a significant number of ALP figures and large unions which contribute heavily to Labor Party funds.

The meeting was designed to unify the Left on the key issues of the day, and many of the 1,600 delegates left the Institute of Technology yesterday believing their efforts were worthwhile.

But the conference also revealed divisions between the Broad Left and the self-styled Left dissidents.

Within half-an-hour of the convention ending, dissident leaders were telling a hastily-convened

press conference that the meeting had not gone far enough towards rejecting the Accord, supporting the Builders Labourers' Federation, and setting up a new party of the Left.

Giving the official line, one of the main convenors, Mr George Campbell, assistant national secretary of the Amalgamated Metal Workers' Union, said the key issues on which the Broad Left was critical of the Government were:

- Its broken promise on Aboriginal land rights and its suggested dismantling of Northern Territory land councils.

- The proposed undermining of the social wage by cutting social service spending by \$1.4 billion, and reducing Medicare benefits.

- The Government's economic Trilogy of reducing the deficit, no overall increase in taxes, and expenditure growth not to increase as fast as growth in the economy.

- The failure to implement a planned industrial policy to save Australian jobs.

- Tentative Government moves towards privatisation of public utilities.

Mr Campbell said the Left would have to develop an achievable economic policy if it were to counter the "economic rationalists" in the Federal Government and the Public Service.

Asked why the conference had appeared to concentrate on changes within the present capital-

ist framework, and said little about achieving the goal of socialism. Mr Campbell replied bluntly: "The Left has been calling for socialism for 100 years and we haven't got there yet."

"If socialists are going to take over this country — and I hope that one day we will — we have to learn how to run it first."

During the conference, Mr Laurie Carmichael, national research officer of the Amalgamated Metal Workers' Union, accused the Federal Government of virtually throwing the Accord overboard.

"All that exists is simply an agreement on wage adjustments," he said.

Mr Carmichael was the first influential union official to promote the idea of an accord, before it was taken up by the ACTU and the Labor Party, and his disillusionment was echoed by many at the conference.

Delegates were divided on whether to maintain the Accord, or to ditch it and allow powerful unions to make the wage running in the hope that their gains would flow on to weaker unions.

The conference opposed in principle the Federal legislation which enables the Government to deregister the BLF, but was divided on whether to support the present BLF leadership.

The dissidents had their say at a press conference conducted by the

Labor Member for Illawarra, Mr George Petersen, the writer Mr Frank Hardy, the national secretary of the Socialist Workers' Party, Mr Jim Percy, and the secretary of the ACT branch of the BLF, Mr Peter O'Dea.

They said another meeting had been attended by 400 people on Saturday night at Glebe Town Hall, which substantially rejected the composition and agenda of the Broad Left conference.

The meeting had carried resolutions describing the Hawke Government as an alternative capitalist organisation, which because of its links with the trade union movement was able to get away with policies impossible for conservative governments.

Mr Percy said no resolutions were allowed at the Broad Left conference, but he believed that if they had been taken the delegates would have rejected the entire Accord, and would have supported the present leadership of the BLF against deregistration.

He said that on Saturday 800 delegates of the 1,200 then present signed a petition against the deregistration of the BLF.

Mr Hardy strongly criticised the policies of the Federal Treasurer, Mr Keating.

"To have a man like that in the Labor Party is an absolute abomination — he speaks more like an American right-wing economist," he said.

AUSTRALIA

## REPORTAGE ON GOVERNMENT'S RURAL ASSISTANCE PACKAGE

### Interstate Subsidies

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Greg Roberts]

[Text] An extra \$20 million in interest rate subsidies highlights a range of measures in the rural assistance package aimed at those farmers in greatest need of help.

The measures include a boost in funding for rural counselling services and funds for the preparation of strategic plans for country centres suffering most from the downturn in the rural sector.

These moves are significant because they reflect the Government's acceptance of the need for some mechanisms to cope with the social welfare of people in hard-hit areas.

The \$20 million will be channelled through the Rural Adjustment Scheme and is aimed at farmers who are "assessed as being viable in the longer term and whose borrowing capacity is exhausted".

An extra \$1.8 million is provided for farmers who leave their farms, so they are "assured of financial support at levels equivalent to those eligible for unemployment benefit".

The Minister for Primary Industry, Mr Kerin, ruled out any large-scale interest rates assistance.

"This would subsidise only one input — debt finance", he said. "To the extent that debt is not correlated with need, there would be perverse distributional consequences."

The president of the National Farmers' Federation, Mr Ian McLachlan, reacted angrily. "We have a \$7.5 billion debt with an annual interest bill of \$1,125

million and the Government is giving us \$20 million," he said.

The Government will spend \$900,000 to underwrite a rural counselling service and will pay up to half of the cost of employing a counsellor in depressed areas.

The counsellor will "assist farmers and their families to assess their financial position and to identify their adjustment options".

In recognition of the impact of the rural downturn on country towns, the Government will spend \$500,000 on grants of up to \$50,000 for strategic plans for selected areas.

The money will be channelled through a new Country Enterprise Fund. State and local governments and regional community organisations will be involved in the preparation of plans.

The Government will investigate the establishment of generalised Commonwealth offices catering for a range of activities in country towns which are too small to justify single-purpose offices.

The Minister for Social Security, Mr Howe, said this could involve the expanded use of information officers and outreach

programs. One officer was recently appointed to help people in the Victorian Mallee area.

The Minister Assisting the Prime Minister on the Status of Women, Senator Ryan, said a Rural Women's Access Program would be set up to improve the access of rural women to health, housing and educational services.

The program will spend \$100,000 this year on projects like the publication of a regular paper outlining programs for rural women, and investigating the establishment of a rural women's telephone advice service.

The Minister for Community Services, Senator Grimes, said the Government had commissioned consultants to report on ways to improve the delivery of community services in remote areas.

The Department of Education has been given \$388,000 under the package to publicise Commonwealth education services and support for rural areas.

Senator Ryan, who is also Minister for Education, said the Government was concerned that "there was relatively low participation in senior secondary education by rural youth".



## Tax Weapon Scrapped

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Peter Hartcher]

[Text]

CANBERRA: The Federal Government has abandoned one of the most ideologically important elements of its tax package — the quarantining of farm losses.

As a result, the Government says officially that it will forgo \$65 million in revenue in 1987-88, and \$45 million each year thereafter.

The decision to scrap the measure was praised yesterday by the National Farmers' Federation as the only commendable component of the Government's rural policy announcement. It was the undoing of an ill deed, it said.

But quarantining, originally justified by the Treasurer, Mr Keating, as an important weapon in the war against tax evasion, had the strong support of the Left of the ALP.

Quarantining, a general measure, is to be replaced with more specific anti-evasion measures. The exact nature of the measures will be announced after a review of the existing legislation.

Quarantining was designed to limit farm losses being written off against income from other sources. Last September, Mr Keating announced quarantining as a method of eliminating "one of the most heavily used tax shelters set out in the draft white paper", a shelter costing the revenue \$155 million a year.

He said: "The manner in which the tax system is currently structured allows other than genuine farmers to generate significant tax gains by directing investment to what otherwise would often be considered unprofitable ventures."

The Government abandoned quarantining — with the full concurrence of Mr Keating — for several reasons:

- Investment in forestry and horse-breeding has fallen sharply, and the Government was concerned that many long-term projects would no longer attract the backing of investors.

- The Government concedes that the measure "may have had greater impact on genuine primary producers than the Government had intended".

- In the words of the Minister for Primary Industry, Mr Kerin, farmers had got themselves "very ideologically worked up".

- And in another development, the Government has lifted from \$1 million to \$3 million the size of foreign investment in rural land which may be made without the consent of the Foreign Investment Review Board.



## \$35 Million Marketing Boost

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Greg Roberts]

[Text] The establishment of a new Rural and Allied Industries Council, and \$35 million in funds for agricultural marketing, were key measures announced in the package to boost the competitiveness of the rural sector and provide it with an established mechanism for presenting its views to the Government.

The proposed council will include representatives of major farming organisations and the ACTU. It would be designed "as a forum for regular consultation on and consideration of policies and issues affecting the rural sector".

The rationale behind the council is the same as for the Economic Planning and Advisory Council and the Australian Manufacturing Council. The Government will fund the new body to the tune of \$1 million a year.

The Government's background paper on the package says existing farm organisations "do not represent the views of others with a strong interest in the farm sector, particularly labour unions and groups responsible for the provision of off-farm services."

"The Government seeks to avoid the tendency for divisiveness and confrontation to develop when the rural sector is dealing

with issues and problems which originate off the farm."

The Government will spend \$25 million over five years to boost agricultural marketing under guidelines to be established by the Minister for Primary Industry, Mr Kerin, and the Minister for Trade, Mr Dawkins.

This is in addition to \$7 million already announced for the meat and livestock industries, and \$12 million provided last year for wool promotion.

"A clear need exists to encourage more creative thinking about the future marketing of our agricultural products," Mr Kerin said.

"Like other businesses, rural industries and statutory marketing authorities need to face up to providing goods and services which people want to buy and will pay for."

The Government will spend \$10 million over five years on a new body, the Horticultural Marketing Corporation, to "co-ordinate national horticultural marketing and promotion, and also export initiatives".

The Government has also decided to significantly reduce the compulsory levies paid by cattle farmers for brucellosis and tuberculosis control.

## \$100 Million Sugar Subsidy

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Greg Roberts]

[Text]

The Government announced a \$100-million scheme yesterday to assist the sugar industry as part of its farm package.

But a spokeswoman for the Minister for Primary Industry, Mr Kerin, said last night that Queensland had not yet indicated whether it was prepared to accept the package.

A substantial slice of the aid — \$54 million — will be in the form of a subsidy to growers to guarantee minimum prices for sugar by underwriting prices of \$230 a tonne last year, \$225 this year and \$220 next year.

This money will be provided on a 2:1 basis with Queensland. It is conditional upon Queensland accepting that its offer of \$27 million (announced unilaterally earlier this year), to cover interest costs on early season advances and sugar board stockholdings, be used as "a form of price support".

Guidelines for spending the remaining money have already been agreed upon between Mr Kerin, the Queensland Minister for Primary Industry, Mr Turner, and the NSW Government.

A consultative body will be established between the three Governments to implement regional adjustment arrangements.

"The arrangements will give priority attention to the area affected by Cyclone Winifred, which includes Babinda Mill," Mr Kerin said.

"The package indicates the preparedness to assist specific industries in times of need, so long as they are prepared to adjust to changing market and technological circumstances".

## Wheat Industry Commission

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Greg Roberts]

[Text]

The Federal Government has announced the establishment of a joint Commonwealth-State royal commission into key aspects of the wheat industry as part of its rural assistance package.

The Minister for Primary Industry, Mr Kerin, said that this was in recognition of the need for "eternal vigilance" against spiralling farm costs.

The commission's terms of reference will be decided between the relevant Commonwealth and State ministers, he said.

The commission would be asked to "inquire into the costs and efficiency of the national grain transport and handling systems, as a whole, and the influence of these factors on the competitiveness of Australia's grain exports, and to identify reforms which could improve efficiency".

The establishment of the commission will allow the Government to address criticisms from farming groups and the Bureau of Agricultural Economics that transport and grain-handling costs are exorbitantly high and

therefore placing an unfair burden on the wheat industry.

The Government's Economic and Rural Policy document, released yesterday, claims that "management decisions and work practices have often not maximised potential productivity improvements".

In other cases, "there have been poor investment decisions in parts of the transport, handling and storage systems".

Grain silos have also operated at times "without regard to the cost, because the correct balance between on-farm and off-farm storage has not been struck".

In addition, the costs of State railway services to growers have been "inordinately high".

The Government's background paper to the package says that "the need for widespread change will not be generally accepted until all the costs of existing arrangements are drawn out and publicised".

The paper notes that wheat storage, handling and transport costs per tonne rose by more than 50 per cent between 1979 and 1985, while in the same period, wheat prices rose by only 20 per cent.

"Consequently the share of net pool returns [to farmers] consumed by these services jumped from 14 to 20 per cent.

"The effect of this trend will be amplified if wheat prices come under further pressure from subsidised US and EC sales. But even at current prices these services are projected to take 25 per cent of net pool returns by the end of the decade."

Practical solutions to these cost problems "will require all those involved in the system to play a constructive part in identifying and implementing appropriate changes".

#### Farmers' Federation Attacks Initiative

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Peter Hartcher]

[Text] CANBERRA: The Federal Government made new commitments yesterday which will relieve farmers of between \$50 million and \$60 million in farm machinery and chemical costs during the next 12 months.

But the National Farmers' Federation attacked the initiatives, describing them as insubstantial.

The decisions are the only new, direct and concrete cost cuts which farmers won from yesterday's farm policy statement.

If averaged across every Australian farm, they will save each

farmer between \$285 and \$340 a year in the first year, and between \$205 and \$260 in each year thereafter.

Instead of protecting Australian machinery and chemical makers by imposing tariffs on imported competition, the Government will pay the local producers a bounty which will have an equivalent protective effect.

The buyers of those goods — farmers — will then enjoy products priced as if there were no

protection whatsoever, and as if the markets for chemicals and machinery were open and competitive.

The Government will pay bounties on agricultural and horticultural machinery for soil preparation and cultivation of about \$39 million in the first year, and about \$26 million a year thereafter. The saving to farmers is of an identical magnitude.

The bounty will take effect immediately, but will not be paid until the Industries Assistance Commission has advised the Government on the exact size of the bounty payments required to match the existing tariff.

This could take several months, so the bounties applicable during this hiatus will have to be paid retrospectively.

Farmers will save between \$10 million and \$20 million a year on agricultural chemicals. This will be engineered through a combination of bounties, and cuts in tariffs. The precise mix has yet to be determined, so the cost to the Federal Government cannot be determined.

The IAC is yet to finish its chemicals and plastics report, due to be handed to the Government on April 30. In the interim, the existing 2 per cent revenue duty on imported agricultural chemicals will be removed, at a cost to the Government of \$400,000 a year.

The president of the National Farmers' Federation, Mr Ian McLachlan, yesterday said these initiatives were insubstantial. Tariffs cost the farm sector \$250 million a year, he said.

In addition to the two new measures, the Government restated its commitment to providing two other cost-cutting measures for farm inputs.

It guaranteed that "the overall cost of fertilisers to farmers will not increase as a result of any decisions which may flow from the Government's consideration of the reviews of anti-dumping legislation and of the production and consumption of fertilisers".

The existing subsidies and bounties on fertilisers cost the Government \$65 million a year.

#### Farming Leaders Dismiss 'Inadequate' Measures

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 4

[Article by Greg Roberts]

[Text]

Farming leaders dismissed the Federal Government's rural assistance package yesterday as "grossly inadequate", with the president of the National Farmers' Federation, Mr Ian McLachlan, describing it as "a rather sad and defensive document".

But Mr McLachlan's response was surprisingly muted, given that the package did not come close to meeting the four major reforms he demanded last month which the NFF described as "non-negotiable".

"It doesn't attack the issues," he said.

"The statement doesn't impress us and it does not address the real problems facing rural industry."

Mr McLachlan said he was particularly disappointed with the Government's failure to eliminate all tariffs on imported farm inputs.

He declined to spell out further action which farmers will take in response to the package, although he said this "would be discussed over the next few weeks". The NFF, however, would "definitely not" support any move to blockade wheat exports.

The chairman of the Canowindra Rural Reform Committee, Mr Peter Ryan, said the package was "grossly inadequate".

Mr McLachlan ... "It doesn't attack the issues."

"The anger in the bush has not been appeased one bit," he said. "There will be more of the same action we have seen in recent weeks."

Mr Ryan suggested that farmers might hold off further direct action until a proposed visit by the Prime Minister to Canowindra next month.

The Leader of the National Party, Mr Sinclair, said the package was "an ill-conceived load of political clap-trap" and would "do nothing to solve the huge problems of rural Australia".

Mr Sinclair ... "ill-conceived load of political clap-trap".

The Leader of the Opposition, Mr Howard, described the package as a "disappointing hoax which will produce real anger in rural Australia".

"The few sensible decisions in the package include a slight loosening of the foreign investment guidelines, and an inquiry into wheat transport and handling," he said.

"The package is disappointing and the Hawke Government, after building up expectations, has clearly let down Australian farmers."

### Editorial Finds Initiative 'Problematical'

Sydney THE SYDNEY MORNING HERALD in English 16 Apr 86 p 18

[Editorial: "The farmers get their package"]

[Text]

MR KERIN'S rural package has added \$150 million to this year's Budget migraine; what good it will do and what thanks he will get are both problematical. The part of the package that will be most appreciated will be the part that is least justified: the \$20 million that will be used to prop up farmers who really should leave the industry. The rest of the package, with its tax and tariff relief for farmers generally, is bound to disappoint the majority of farmers who could have got by with less but who no doubt were hoping for more.

It is that second part of Mr Kerin's package that contains the most valuable reforms — and the potential to become far more expensive than the Government expects. The worthwhile reforms are the replacement of import duties with bounties to protect local manufacturers of fertilisers, chemicals and farm machinery. The cost to the taxpayer is high — about \$120 million a year —

because the Government both loses the revenue from the import duties and has to pay out a cash subsidy to support the local manufacturers. But the burden of protecting the manufacturers is shared by the whole community, which is only fair. And, of course, the cost of protecting the industries concerned is more visible and more liable to be questioned, which is long overdue.

The concession with the potential to become very expensive is of course the abandonment of the quarantining of farm losses. In principle, there is no reason why people should not be able to write off their farm losses against their non-farm income. But Mr Keating planned to stop it

because agricultural investment had become a popular way of avoiding tax. The taxpayer was suffering at the hands of too many Pitt Street farmers. Now the Government says that its attempt to stop tax avoiders would have affected "genuine primary producers".

Of course it would, although not the ones who are on the verge of ruin. The genuine farmers who will benefit from yesterday's decision are the large, efficient producers who have built up substantial non-farm investments as insurance against rural slumps. The quarantining of farm losses would have discouraged farmers from undertaking perfectly reasonable, and from the community's point of view, utterly desirable, diversification. But not quarantining them will encourage a lot more Pitt Street farmers, especially now that the Government has moved in on other popular tax shelters.

But that's a problem for the future, as no doubt is a large

proportion of the farmers who will qualify for the \$20 million interest rate subsidy. The subsidy is designed to go to farmers whose businesses are not viable now but, in the opinion of the Government, can be made viable — businesses that can be saved by an injection of cheap capital. In any other sector of the economy, those businesses would go under and be absorbed by stronger, more efficient enterprises. For political reasons alone, farmers facing ruin receive special help from the taxpayer. Some will find their feet as a result, but experience suggests a great number of them will just limp on to become the victims of the next farming crisis.

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CSO: 4200/1049



AUSTRALIA

PENDING USSR, VANUATU FISHING DEAL TROUBLES CANBERRA

Sydney THE SYDNEY MORNING HERALD in English 2 Apr 86 p 1

[Article by Mary-Louise O'Callaghan]

[Text]

CANBERRA: Any fishing agreement that gave the Soviet Union access to onshore facilities in Vanuatu would be strongly opposed by Australia, a spokesman for the Department of Foreign Affairs said last night.

Australia would recommend to Vanuatu that any agreement exclude such access in an attempt to limit Soviet expansion in the South Pacific, the spokesman said.

The Soviet Union has asked Vanuatu for an agreement that would give Soviet fishing vessels access to the waters of the archipelago's maritime resources zone as well as on-shore facilities and joint seabed research for at least 12 months.

However, Vanuatu is not expected to agree to the request for on-shore facilities.

The Foreign Affairs spokesman said Australia would only oppose any agreement if it included

access to on-shore facilities. Otherwise it would respect the right of Vanuatu, with its limited resources, to get the best deal.

"We've made known our reservations about these sort of things in the past, but we also understand the desire of these island countries to get the best possible value out of their only major renewable resource," the spokesman said. "They are sovereign states and it is up to them to decide these things."

The Minister for Foreign Affairs, Mr Hayden, is expected to discuss the negotiations during his visit to Vanuatu next month.

The Prime Minister, Mr Hawke, wrote to the Pacific nation of Kiribati last year expressing concern over its decision to sign a \$US2.4 million tuna fishing agreement with the Soviet Union, an agreement which did not include access to port facilities or research work.

A spokesman for the United States Embassy said yesterday that the US was concerned about possible Soviet encroachment into the Pacific, but said further details of the deal would be needed.

The spokesman said the US was still involved in fishing negotiations with South Pacific nations, including Vanuatu.

Mr Jo Natuman, press secretary for the Prime Minister of Vanuatu, Mr Walter Lini, confirmed yesterday that Vanuatu would attend the next meeting of the South Pacific Forum Fisheries Agency in May, which is attempting to have a multilateral treaty signed between the US and South Pacific island nations.

Mr Natuman also confirmed that Vanuatu had established a committee to negotiate with the Soviet Union, but said it could be up to a year before any formal agreement was signed.

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CSO: 4200/1054

AUSTRALIA

EDITORIAL CONCERNED BY USSR, VANUATU FISHING TALKS

Sydney THE SYDNEY MORNING HERALD in English 3 Apr 86 p 10

[Editorial: "If Soviet Trawlers Come to Vanuatu"]

[Text]

IN SYDNEY a little more than a year ago Soviet negotiators sat down with officials from the tiny Pacific island nation of Kiribati and discussed fish. The resulting agreement to allow Soviet vessels access to Kiribati's exclusive economic zone was eventually signed last August. Now the Soviet Union also has asked Vanuatu for a similar agreement. As well, it wants Vanuatu to permit it on-shore facilities and to co-operate in a joint seabed research project, a development that has made Canberra nervous.

The Department of Foreign Affairs has said Australia would oppose any Soviet-Vanuatu agreement that included on-shore facilities. Mr Hayden will doubtless have more to say after his visit to Vanuatu next month. For the moment, it is reassuring that there has been nothing like the alarmist utterances of the former Prime Minister, Mr Fraser, in Washington a year ago, when the first hint of the Soviet-Vanuatu agreement was in the air. Mr

Fraser's claim then — that a fisheries agreement would lead to Soviet vessels refuelling in Kiribati, which would in turn lead to a naval facility and construction of an airport — was hardly realistic. And its contribution to rational discussion was about as valuable as the Reds-on-our-doorstep scare of 1983, when Vanuatu recognised Cuba. There are reasons for Australia to view with concern unwelcome Soviet activities in the Pacific. But an alarmist reaction to every move by the Soviet Union to expand its fishing activity is not helpful.

For most of the new Pacific island nations their exclusive economic zones are their greatest resource. Understandably they want the best value they can get from them. The willingness of the Soviet Union, one of the largest fishing nations, to pay to harvest fish in those zones — just as the Japanese and South Koreans do — merely underlines the unreasonable attitude of the United States. The US does not recognise exclusive economic zones

and has only slowly realised that it must rein in the American Tunaboat Association's aggressive fishing activities and the association's heavy-handed reliance on US trade sanctions to back them up.

Recent developments have probably sharpened US sensibilities in dealing with Pacific nations. The overthrow of President Marcos in the Philippines was a reminder of the uncertain US tenure of its bases there. And the Soviet-Kiribati agreement has shown that when a Pacific nation moves to talk with the Soviet Union it is not out of some childishness, hoping to extract more aid from the West, but out of serious concern to put its economy on a stable long-term footing.

Two parallel developments are emerging. The US is moving towards a multilateral tuna agreement. That would help repair the damage done by the free-for-all conducted for so long by the American Tunaboat Association. At the same time there is a growing realisation in the South Pacific Forum that co-operation among its members is the key to dealing with the world's fishing nations. As far as the members of the Forum are concerned, the real threat from bilateral agreements such as the Soviet-Kiribati agreement or a possible Soviet-Vanuatu agreement is economic, to the extent that it makes a comprehensive collective arrangement for the benefit of all small nations in the Pacific that much harder to achieve.

/9317

CSO: 4200/1054

INDONESIA

SUHARTO STRESSES UNITY ON NATIONAL AWAKENING DAY

BK200515 Jakarta ANTARA in English 0448 GMT 20 May 86

[Text] Jakarta, May 20 (ANTARA)--President Suharto Tuesday hailed the commemoration of National Awakening Day (May 20) emphasizing again the importance of national unity particularly at a time when the nation was facing the prospect of economically difficult years.

"Let us not dissipate our mind, attention and strength in overcoming unnecessary problems. Instead we should concentrate in carrying on our struggle for economic development in the years ahead," the head of state said.

Addressing participants of the commemoration at the Senayan Convention Hall, the president stressed that the spirit of national unity is the priceless lesson Indonesians had to take from the National Awakening Day.

"History has taught us that great dreams could not possibly be realized without unity and solidarity among us all," the president said.

The national awakening in 1908, which was marked by the birth of the Budi Utomo organization on May 20, constitutes the start of the growth of national consciousness among the various regions of Indonesia.

Later, in 1928, the youth pledge was declared emphasizing the oneness of the Indonesian nation.

Then in 1945, the year of the proclamation of independence, it was proven that with unity and solidarity among the whole nation there was no force on earth which could prevent the birth of the free Indonesia.

President Suharto was of the view that the current national unity has a strong binding force manifested by the adoption of Pancasila as the sole principle for the way of life of the nation.

As the sole principle of the nation, the president said, Pancasila provides wide opportunities for all layers of the community, both women and men of all generations, to actively participate in the current development programs as the implementation of state ideology.

On the occasion the head of state also called on the young generation to make the historical day as a new spirit for self-confidence.

"Of course, there is no other way. We have to rely on our own strength," President Suharto stressed.

The strength, he went on, is owned by the Indonesia people and the young generation is the main source of the strength. Therefore, the president said, the young generation should be preparing themselves for being able to continue and to enhance the nation building for the interest of the young generation and the nation in the future.

According to President Suharto, efforts to prepare the young generation for shouldering bigger tasks in the future are still going on. The head of state also pointed to the fact about the process of regeneration in all layers of community and institutions.

"We are proud of our national history of the past. But we do not merely want to be a nation that inherits the glories of the past, because we also want to be a nation that is able to build our brighter future," President Suharto concluded.

The ceremony was also attended by cabinet ministers, political and military leaders, members of Parliament, and the young generation.

/6662

CSO: 4200/1059

3 June 1986

## INDONESIA

## AUSTRALIAN MINISTER COMMENTS ON IRIAN JAYAN REFUGEES

BK190954 Jakarta ANTARA in English 0806 GMT 19 May 86

[Text] Jakarta, May 19 (ANTARA)--Australia will never give permanent residence to 11 Irian Jayans who fled to Australian territory, because Canberra does not want to have any difficulty in its relations with its "very good neighbour" Indonesia.

"We do not want to draw more people to come to our country illicitly" Australian Minister for Immigration and Ethnic Affairs Chris Hurford disclosed here Monday after meeting Justice Minister Ismail Saleh.

Hurford stressed that his government would not keep those people permanently in Australian territory, saying if they were not willing to return to Irian Jaya, Australia would seek a third country for their resettlement. He showed his concern if the people were granted permanent residence, many more people would come due to the higher standard of living in Australia.

In his talks with Ismail Saleh which he described as "most enjoyable and constructive", Hurford discussed matters associated with the future of the Irian Jayan evacuees. He did not reveal results of the discussions, beyond saying that further talks would be organized.

Both ministers also touched upon matters pertaining to the normalizations of relations between some 6,000 East Timorese now residing in Australia with their families in East Timor. Hurford disclosed that his ministry was studying the possibility of moving one of its immigration offices to Timor at regular intervals to process the family reunion.

Differing with the 11 Irian Jayans, the East Timorese have been accepted by Australia as permanent residents under normal immigration guidelines. The 6,000 East Timorese have come directly under programs arranged between the Australian and Indonesian governments or indirectly through other ways.

Upon questions, he said that a lot of the East Timorese were now moving to be Australian citizens. He did not rule out the possibility that some of them might want to return to Indonesia. "With the normalization of relations, maybe we can facilitate if they want to return to East Timor", he said.

Both ministers talked for about one hour.

/6662

CSO: 4200/1059



INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

MAJ GEN H. SIMANJUNTAK--Army Chief of Staff General Rudini on 8 March presided over the transfer of the office of governor of the Indonesian Military Academy from Maj Gen Untung Sridadi to Maj Gen H. Simanjuntak. Maj Gen H. Simanjuntak (who is 50 years old) was previously commander of Military District VIII/Trikora. He graduated from the Indonesian Military Academy in the class of 1960. In 1963 he was assigned to the academy as a company commander in the Regiment of Cadets. Maj Gen Untung Sridadi will be assigned to Army Headquarters as a senior officer. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 11 Mar 86 p 1] 5170

AIR COMMODORE ZAINUDIN SIKADO--The post of deputy commander of Operational Command I was transferred on 14 March from Air Commodore J. L. Mundung to Air Commodore Zainudin Sikado (50 years old). Air Commodore Sikado was previously commander of Iswahyudi Air Force Base in Madiun [East Java], which is the largest base belonging to the Indonesian Air Force. He is one of a number of young officers who were sent to Czechoslovakia in 1960 to become fighter pilots. When the Indonesian Air Force received MiG-21 fighters, which can fly at twice the speed of sound, Sikado was among the first pilots to check out on this aircraft. Air Commodore Sikado, who was born in Ujung Pandang [South Sulawesi], often encountered British fighter planes based in Singapore at the time of the Indonesian confrontation of Malaysia. Air Commodore Sikado continues to fly jet fighters because, in his view, "Everyone who serves at Iswahyudi Air Force Base must be able to fly." Operational Command I is responsible for the security of the western part of Indonesian air space. The command headquarters is at Halim Perdanakusumah Air Force Base in Jakarta. [Text] [Jakarta SINAR HARAPAN in Indonesian 15 Mar 86 p 12] 5170

COL SURYADI SUDIRJA--The position of chief of staff of Military Region IV/Diponegoro was transferred on 19 March from Brig Gen T. B. Silalahi to Col (Infantry) Suryadi Sudirja at a ceremony in the conference hall of Military Region IV/Diponegoro in Watugong, Semarang. Brig Gen T. B. Silalahi, the former chief of staff of Military Region IV/Diponegoro, has been assigned to new duties as assistant for planning to the Army chief of staff. Col Suryadi Sudirja has previously been deputy commander of the Army Operational Systems Development Center in Bandung. Col Suryadi Sudirja was born in Banten [West

Java] in 1938. He married Dr Sri Sumarsih in 1964, and they have two sons. He is a graduate of the National Military Academy and was commissioned an Army second lieutenant on 1 December 1962. Subsequent military training included attendance at the Basic Infantry Course, KOPALTU/IF, SUSLAPA/LN, the Army Staff and Command School (Overseas), the Joint Staff and Command School, SUSSARPARA, IFGABA, SUSBINLATSAT, SUSTARDANDIM and the Pancasila Indoctrination Course. He speaks English and French fluently. Among his assignments overseas, he was sent to study in France in 1969 and 1973, and in 1973 he went to Malaysia in 1978 in connection with the KARMALINDO Exercise. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 25 Mar 86 p 6] 5170

MAJOR GENERAL SOELARSO--On 31 March Major General Soelarso will be installed in office as the new director general of immigration, replacing Soegino Soemoprawiro. Major General Soelarso (57 years old) is a 1955 graduate of the Royal Dutch Military Academy in Breda. He was in the same class with Army Chief of Staff General Rudini. Most recently, he has served as Army inspector general. He previously served as commander of Military Region III/17 August (which has since been abolished), assistant for security affairs to the Army chief of staff, and commander of Military Region VIII/Brawijaya. Minister of Justice Ismail Saleh told reporters that Soegino Soemoprawiro will be assigned as a staff adviser to the minister of justice. Soegino Soemoprawiro assumed office as director general of immigration on 5 June 1982. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 29 Mar 86 p 1] 5170

REAR ADMIRAL RUDOLF KASENDA--On 11 April Rear Admiral Rudolf Kasenda will be installed in office as chief of staff of the Indonesian Navy, replacing Admiral M. Romly. Rear Admiral Rudolf Kasenda has most recently served as deputy chief of staff of the Navy for logistics affairs. He turned this position over to Rear Admiral Basoeki on 3 April at a ceremony held at Navy Headquarters in Cilacap. Before becoming deputy chief of staff of the Navy Kasenda, who was born in the Toraja area of Sulawesi, was commander of the Indonesian Fleet. An officer closely acquainted with Kasenda, said of him: "He's a really capable sailor." His father was born in Manado, and his mother was from the Toraja area. Kasenda was born in Rantepao on 15 May 1934. After completing senior high school in Ujungpandang in 1952 Kasenda entered the Naval Academy, graduating in 1955. His close friend said: "Kasenda is a man who is very thorough. Every job he does is completed, down to the last detail." Kasenda began to come to public attention when he commanded the Indonesian Navy Ship MULTATULI, a warship which was the pride of Indonesia during the 1970's. Before becoming commander of the Indonesian Fleet, he served as assistant for logistics in the Department of Defense and Security, when Gen M. Jusuf was minister of defense and security and commander of the Indonesian Armed Forces. [Excerpts] [Jakarta KOMPAS in Indonesian 4 Apr 86 p 1] 5170

AIR MARSHAL OETOMO--On 11 April Air Marshal Oetomo will take his oath of office as chief of staff of the Indonesian Air Force, replacing Air Chief Marshal Sukardi. Regarding Air Marshal Oetomo, an Indonesian Air Force officer said: "He is a hard worker. He stays up until all hours, until the job is done." This spirit of working hard can be seen directly in his private life. He is a man who doesn't say much but is always smiling. He graduated from the Advanced Flying School in the class of 1958. This school is like the

present Air Force Academy. He began his career as a pilot on Albatross aircraft, a maritime reconnaissance and search and rescue airplane. Air Marshal Oetomo, who is now 51, has two children. The eldest, a daughter, is a university student. The younger child is still in junior high school. During his military career he has been defense attache in Tokyo and was subsequently deputy assistant for security affairs to the Air Force chief of staff, commander of Air Region IV in Surabaya, and deputy commander of Air Defense Region I in Medan. From there he was promoted to be deputy chief of staff of the Air Force and, most recently, was chief of the general staff at Air Force Headquarters. [Excerpts] [Jakarta KOMPAS in Indonesian 4 Apr 86 p 1] 5170

COMMODORE W. RAHADI--The post of assistant to the Navy chief of staff for planning and budgetary affairs was turned over on 4 April from Commodore Iman Taufik to Commodore W. Rahadi, his replacement. Commodore W. Tahadi graduated from the Naval Academy in 1960. In 1970 he graduated from the Navy Staff and Command School, from the Joint Staff and Command School in 1976, and from the Defense Attache Course in 1977. During his Navy career, he has been assigned to the Indonesian Navy Ship PATTIMURA and has served several tours of duty in submarines, beginning as a torpedo officer and concluding as commander of the Submarine Force in 1972. From 1978-82 he was defense attache in Rome and from 1982-85 he was chief of the Navy General Secretariat. In May 1985 he was appointed chief of staff of the Eastern Area of the Indonesian Navy. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 8 Apr 86 p 8] 5170

CSO: 4213/138

INDONESIA

BRIEFS

**SUHARTO'S PRESIDENTIAL NOMINATION**--Jakarta, 19/5 (ANTARA)--President Suharto expressed gratitude for the decision of the Indonesian Democratic Party (PDI) to name him as the party's candidate for the presidency seat. However, the head of state reiterated it all depends on the decision of the country's MPR (People's Consultative Assembly), since as an Indonesian citizen he will obey all the decisions of the state's highest institution. President Suharto stated this when receiving the members of the PDI Central Board at the Bina Graha Presidential Palace here Monday. During the meeting the board reported the results of its recent congress here which among other things comprised the decision to name President Suharto as PDI's candidate for president for the 1988-1993 period. [Excerpt] [Jakarta ANTARA in English 1644 GMT 19 May 86 BK] /6662

**AUSTRALIA WANTS JOURNALISTS' BAN LIFTED**--The exchange of visits between the Indonesian and Australian journalists is also important in the efforts to develop both countries' relations, the same as the exchange of visits of ministers. This was stated by the Australian minister for immigration and ethnic affairs, Chris Hurford, yesterday. He said the exchange of visits between the two countries' journalists would promote mutual understanding. In this connection, he urgently hoped that the Australian journalists would be allowed again to visit Indonesia. Minister Chris Hurford made these remarks yesterday after he called on Minister of Home Affairs Suparjo Rustam and Minister of Justice Ismail Saleh. [Text] [Jakarta International Service in English 0800 GMT 20 May 86 BK] /6662

CSO: 4200/1059

MALAYSIA

MAHATHIR OPENS SOUTH-SOUTH CONFERENCE

Urges Independent Commission on Cooperation

BK050917 Kuala Lumpur International Service in English 0800 GMT 5 May 86

[Text] Malaysia has called for the establishment of an independent commission on cooperation among developing countries. Prime Minister Datuk Sri Dr Mahathir Mohamed made the call when he opened the South-South Conference in Kuala Lumpur. He suggested that the commission have a limited life span. Each developing country has been urged to assign a minister to ensure that the commission attains its objectives. Datuk Sri Dr Mahathir pointed out that South-South cooperation will help caution developing countries from the arbitrary action and decisions of a handful of developed countries. He noted that developing countries while having gained their political independence have been denied economic freedom.

The prime minister's speech touched on various subjects. It included economic cooperation among developing countries, apartheid in South Africa, and disarmament. Datuk Sri Dr Mahathir explained that developing countries have never been independent economically. They have no control over markets and prices as well as transport and [words indistinct]. As an illustration, he said although the annual seven-nation economic summit now on in Tokyo will make decisions that will affect all developing countries. The developing world will not be consulted on these decisions.

On South Africa, the prime minister again hit out at developed countries for their failure to apply sanctions against the racist Pretoria regime. He said the regime survives because of sympathetic support from the developed countries.

Earlier, Datuk Sri Dr Mahathir presented the 1985 Third World prize to Black liberation fighters, Nelson and Winnie Mandela of South Africa. The prize was accepted on their behalf by the president of the African National Congress, Mr Oliver Tambo.



### Condemns 'Inhuman' South Africa Regime

BK050951 Kuala Lumpur Bernama in English 0938 GMT 5 May 86

[Text] Kuala Lumpur, 5 May (OANA-BERNAMA) -- Malaysian Prime Minister Dr Mahathir Mohamed said Monday the Pretoria regime is an inhuman one and "racist" in the extreme.

He said the only thing that it would respond to was force.

"If we must meet terror with force, this is the time," he said, stressing that the lives of the Blacks in South Africa were as worthy as the lives of anyone else.

Opening the second South-South summit here, the prime minister said it was not revenge and killing that were being sought now but merely sanctions by those whose economic clouts had the necessary force.

He believed that the Blacks in South Africa were prepared to endure the pain of sanctions.

"They ask for sanctions. Why do we give this excuse that we want to save them from that which they are willing to endure?" he said in reference to some Western governments which had expressed such sentiments on sanctions.

Stating that the Pretoria regime remained the most blatantly racist regime in the history of the world, Dr Mahathir said it could exist in this day and age partly because of the support it got from sympathisers in the north.

"People who are prepared to take direct military action against a government for allegedly promoting terrorism advocate gentle persuasion when dealing with the open terrorism practised by the Pretoria regime.

"We do not expect the Pretoria regime to be bombed out of existence, because we do not believe in such a line of action. But when will those with the economic clout apply such sanction? Or is it that African lives are cheap and that investments in South Africa are too profitable?" asked the prime minister.

He said that in the mid-60s, when Malaysia condemned the racist regime of South Africa and demanded that South Africa be booted out of the Commonwealth if it continued with apartheid and oppression of Black South Africans, it was told that such action would be detrimental to the Blacks.

He said the same argument was applied at the recent Commonwealth meeting in Nassau when it was demanded that sanctions be applied against South Africa.



The prime minister asked, "Do we really think that Black South Africans will be better off today if South Africa remains in the Commonwealth? Are they better off now because we do not apply sanctions? Are the shooting, killing, jailing and torture of the Blacks today evidence that they are better off because sanctions are not applied? Has Nelson Mandela been released because no sanctions have been applied? Would Steve Biko be alive today?

"The fact is that we are dealing not with an inhumane regime but an inhuman regime, a regime that is racist in the extreme," he said.

### Third World Arms Race

BK051224 Kuala Lumpur Domestic Service in English 1130 GMT 5 May 86

[Text] Datuk Sri Dr Mahathir Mohamed today called on the governments of the South to stop their mini arms races. Opening the second South-South summit in Kuala Lumpur, he said the South often talked of the need for disarmament by the big powers, but its own record dubbed it a lie. The prime minister pointed out that in 1964, the Third World began bought U.S. \$1,400 million worth of weapons from the developed countries, and by 1984 the figure had grown to U.S. \$29,400 million. Such gun-before-butter policy should be stopped, as it can only enrich the already rich.

Datuk Sri Dr Mahathir stressed that countries of the South should also look into other areas where they could cooperate for mutual benefits. Citing the cultural field as an example, he said there is a great need for them to get to know each other. At present, there is a great deal of misinformation originating from the news media over which of the countries of the South have no control.

He added that the time had come for Third World news agencies to intensify their cooperation and provide true and more sympathetic news about developing nations.

/12640  
CSO: 4200/993

MALAYSIA

BRIEFS

COMMUNIST THREAT--Penang, Tues [29 April]--The communist threat in the country is becoming more subversive and less of an armed struggle, Army Chief Jen Datuk Sri Hashim Mohd Ali told the NEW STRAITS TIMES today. He said there were now less than 200 terrorists operating in Peninsular Malaysia. However, the Communist Party of Malaya (CPM) still had about 1,500 armed personnel operating from sanctuaries in South Thailand. Jen Hashim said the increasing threat now was in the form of communist infiltration of workers unions, political parties, student bodies and other fronts. The communists were trying to increase the strength of their unarmed sympathisers besides trying to consolidate their armed personnel. "To boost the morale of their forces, they are even claiming that their secretary-general, Chin Peng, is still in the peninsula and South Thailand area whereas intelligence indicates that he is living in China." It is, however, not known whether Chin Peng is still actively leading the communist struggle in the country. Meanwhile, the present economic slowdown had not prejudiced the potential of the army. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 30 Apr 86 p 7] /12640

MEETING WITH PAS--Datuk Sri Dr Mahathir says the mutual discussions between UMNO [United Malaya National Organization] and PAS [Pan Malaysian Islamic Party] have achieved a desired result. [words indistinct] further discussions can be held. The prime minister told newsmen in Kuala Lumpur this afternoon that the discussions centered on religious matters and ways to prevent undesirable incidents between supporters of both parties, especially during the forthcoming general election. No political matters were discussed, and the meeting did not touch on PAS to join the Barisan Nasional. The prime minister said the Barisan Nasional, especially UMNO will soon approach [words indistinct] election. The prime minister explained that UMNO invited all PAS leaders but some of them refused to come. The invitations were issued through the UMNO youth leader, Encki Anwar Ibrahim. On allegations that UMNO is trying to disrupt the PAS leadership, Datuk Sri Dr Mahathir said he could say nothing about these allegations. Earlier, the prime minister briefed the UMNO Supreme Council on the outcome of the discussions. The 4-hour meeting also approved the procedures for [words indistinct]. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 3 May 86] /12640

3 June 1986

FORMATION OF SABAH COMMITTEE--Kuala Lumpur, Sun -- PAS [Pan Malaysian Islamic Party] has formed a protem committee in Kota Kinabalu in its efforts to spread its wings to Sabah, party vice-president Haji Nakhaie Ahmad said today. He said a number of local intellectuals who had never joined any political party had agreed to be in the committee. PAS would also set up branches in various districts, including Sandakan, Tawau and Ranau, before going into the federal territory of Labuan, adding that he was confident the party would be accepted by the local people. Haji Nakhaie did not rule out the possibility of PAS fielding candidates for the next parliamentary elections. He denied that PAS was going into Sabah to exploit the situation, and said it was felt the time had come for the party to extend its activities there. It is understood Haji Nakhaie has been to Sabah twice recently to gauge the support of the people, especially the Muslims, for the party. On Sarawak, he said a PAS office had been set up in Bintulu, which would be the center of party activities in the State. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 5 May 86 p 5] /12640

FOREIGN MINISTER VIEWS NEXT SUMMIT--The ASEAN summit to be held in Manila in July next year will come with guidelines to enhance regional economic cooperation beyond the year 2000. Economic issues will top the agenda. The minister of foreign affairs, Tengku Ahmad Rithauddeen, told newsmen in Kuala Lumpur this afternoon that Malaysia had proposed the setting up of a steering committee to prepare for the summit and ensure its success. According to Tengku Rithauddeen, economic issues will be highlighted because the present ASEAN economic cooperation leaves much to be desired. Among the guidelines that might be considered by the ASEAN heads of government include the establishment of a common market and the removal of trade barriers. On the meeting with President Reagan in Bali, Tengku Rithauddeen said the president gave a positive response to all the issues raised. They include economic matters and the Kampuchean issue. The ASEAN foreign ministers presented [words indistinct] on economic matters to President Reagan to be raised at the economic summit of industrialized nations in Tokyo. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 6 May 86] /12640

CSO: 4200/993

NEW ZEALAND

# EDITORIAL HITS ANZUS GAP BETWEEN PARTY, GOVERNMENT

Wellington THE EVENING POST in English 29 Apr 86 p 6

[Editorial: A gap between party and Government"]

[Text]

THE PROBLEMS POSED by the gap between the Labour Government's stated policy that it wishes to remain within Anzus and the Labour Party's anti-Anzus stance came into clear focus last week when Ms Helen Clark presented the party's submissions to the Defence Review Committee.

The difference between the two policies poses the question of which one will prevail. Who should the voters and our allies believe? The Labour Government or the Labour Party?

Ms Clark's personal commitment to the anti-Anzus stance also raises the question of her chairmanship of the foreign affairs and defence select committee during its hearing on the Government's anti-nuclear legislation.

There may be those opposed to the Labour Party's anti-Anzus policy and untrusting of the Government's somewhat more equivocal stance, who are disposed to wonder about the propriety of having a chairman who has declared her interests.

But in fact Ms Clark's recent submissions to the Defence Review Committee did no more than emphasise once again her known views on the subject.

Whether one does or does not agree with the Labour Party's and Ms Clark's views on the desirability of a "semi-allied" role for this coun-

try — and the Post does not — Ms Clark has never sought to conceal her convictions on the issue. She has shared her thinking with the public and there could never have been any doubt about the ultimate direction in which her views lead. Such honesty in public life is admirable and allows for proper debate on major political issues.

The more circumlocutory approach practised by some of Ms Clark's fellow party members who

are in Government leads to charges of double-speak and a sense of betrayal by those who would like to trust their leaders to be open about the results of policies which have a long lead time before they affect the average voter.

The difficulty the Government has in reconciling an electorate which is largely supportive of Anzus with a party which is largely opposed to the alliance must be recognised as formidable.

After the USS Buchanan debacle it is doubtful if there was ever much chance that party members would allow the Government to let any warship into New Zealand's ports.

For those concerned about our increasing isolation party spokesmen have offered the reassurance of the possibility of closer ties with Australia.

So anti-American are some members of the New Left within the Labour Party that they are not pre-

pared to think through the political problems of allowing our trans-Tasman partner the preponderant influence over our defence systems. Nor has there been much discussion of a concomitant reduction in our status from a partner in the Western Alliance to just one of the many small Pacific states dependent on Australia for links with the rest of the West.

Ms Clark, however, is prepared to discuss just how far she sees the party being prepared to go in any defence partnership with Australia and it transpires that such support will be notable for its limited nature.

Her honesty in entering debate on the ultimate results of Labour Party policy is greatly to her credit. It is members of the Cabinet who should now be asked to match Ms Clark's candour on the defence and foreign policy issues we face.

/12828

CSO: 4200/1050

NEW ZEALAND

DATE UNDECIDED FOR ENACTING ANTI-NUCLEAR LEGISLATION

Wellington THE EVENING POST in English 30 Apr 86 p 8

[Text]

No indication was given to visiting members of the Japanese Socialist Party that anti-nuclear legislation would be passed on Hiroshima Day, August 6, Prime Minister David Lange said yesterday.

The Post reported last week that the JSP delegation was delighted to hear of the gesture to mark August 6 by enshrining anti-nuclear law on that day.

Answering a question in Parliament yesterday, Mr Lange said that report was "quite wrong."

However, Mr Lange admitted there had been discussion with the delegation as to when the legislation might be enacted.

As for August 6, the Bill would have to go before a

select committee; also, that day was a Wednesday, private members' day.

"This Government has no intention of hijacking private members' days," Mr Lange said, to outbursts of laughter from the Opposition.

It was pointed out by the Opposition that that was just what the Government planned for today, private members days, by taking urgency on Government legislation.

At the time, Mr Lange responded by saying "tomorrow is another day."

• The Post's report was compiled from comments by members of the Japanese Socialist Party delegation made at a press conference held after their meeting with Mr Lange.

/12828  
CSO: 4200/1050



NEW ZEALAND

NATIONWIDE FARM PROBLEMS PROMPT MARCH ON CAPITAL

Wellington THE EVENING POST in English 30 Apr 86 pp 1, 3

[Text]

Farmers from all over the country began converging on the Capital as early as 5.30 this morning — many travelled all night to get here — ready for the protest march to Parliament.

Some were talking blockades and revolutions, others were a little more restrained in their comments. But all were angry at the treatment they say farmers are getting from the Government.

Among the first to arrive were busloads from North Auckland. Others had come from Canterbury and more were expected from as far south as Gore.

At 1.30pm, just before the march was due to start, police "roughly" estimated the protest size at 10,000. Marchers stretched from Bowen St back to Victoria St.

They began milling around the Civic Square at mid-morning. Banners and signs pointing out the desperate plight of farmers were at hand.

One, the Kaipara sub-provincial president of Federated Farmers, Bob Larsen, of Kaiwaka in Northland, told the Post the Government must reduce the interest rates and to do that it must cut its spending "to the stage where it doesn't have to borrow on the market."

When asked in what areas the Government should reduce its spending, he said:

"We, as farmers don't set ourselves up to direct the Government to say how it should reduce its spending."

Other Northland farmers who travelled all night to attend today's rally agreed that interest rates must be lowered.

Kaiwaka dairy farmer Allan McCracken, 38, who has owned his property for a year, says the Rural Bank used to lend money at an interest rate of 7.5 percent in about 1984. But that had increased — to 10 percent in some cases, and in other cases like his, to 12.5 percent.

"The Government has to keep the interest rates down to around the old level of less than 10 percent, for the new farmers at least and eventually for all farmers."

He said he presently had an annual budget of \$7500 for living expenses, including insurance, for himself, his wife and their four children.

Denis Hiestand, an Ashburton dairy farmer sporting a placard attached to a pitchfork, said he was in Wellington "basically because I'm going broke."

"I'm hit quite badly now and will be more so next year." He blamed the exchange rate and tariff protections still in force — they were costing the average farmer \$20,000 a year, he said.

"Why should myself and my wife live on \$4000 a year? We don't want to make a fortune but for God's sake don't we deserve a living wage like you? Where's the justice?"

The mood of the farmers was angry and if something was not done soon then the next step would be to isolate Wellington, Mr Hiestand said. Blockade it, no food in, no people in.

"That's the mood of the country people," he said. Others around him nodded in agreement.



Wellsford bull farmer Geoff Worker approved of the freer market policy the Government was following, but believed it was adopting it too quickly and unevenly.

"You can't go and buy an overseas product off the shelf without some duty which protects our own manufacturers.

"I don't know whether it would be right for the country if they took these duties off.

"But if it's right for the farmers to be in the open market with no subsidies, why not everybody?"

An immediate relief for farmers would be a devaluation of the dollar which would earn the farmers more for their exports, Mr Worker said.

## Reduction

Other farmers told the Post they did not want subsidies reintroduced, but a reduction in the interest rates.

Others were concerned that the new livestock tax which might mean a bigger tax bill for some farmers but have no effect on others, should be at least delayed for two or three years.

## Message

Robert Pickering, a North Canterbury mixed farmer, said this would be one of the final efforts to get the message through to the Government.

"This is the last chance. Otherwise there will be a revolution instead of an evolution," he said. Again others around him nodded in agreement.

Wellsford dairyfarmer Dallas Grant, whom others described as an "established" farmer with a big herd, said the Government must reduce interest rates across the board.

He says he is paying 32 percent interest on the money he has borrowed over his overdraft from his bank, as well as 24 percent interest on other short term borrowings, and 13.5 percent on a small loan from the Rural Bank.

He says for this 1986-87 year, which begins on June 1, he will make a loss of \$40,000.

"The only option I've got is to borrow more money, which will make the situation worse."

## Butterfat

In Northland dairyfarmers for the 1985-86 season are being paid \$4 a kilo for butterfat, compared with \$4.15 in the previous year.

But the dairy industry has had to exhaust its reserves of cash to make that \$4 payout this year, and the dairyfarmers fear that next year their payout could be down to \$3 per kilo of butterfat — a 25 percent drop in income.

Sheep and beef farmers say they are facing a 50 percent drop in income.

"I was paid \$19.90 in June last year for store lambs, but this year I will get \$5 each for a similar lamb," said Wellsford sheep and beef farmer Dennis Gaskell.

## Market

Bill Browne, fattening farmer from Wellsford: "We were getting \$2.00 a kilo for fat cattle for the Auckland market this time last year. Now we might get \$1.85."

Mr Gaskell was also concerned that from about two months ago farmers had to pay business rates for their telephones rather than the cheaper private rates as in the past.

A Wellsford farmer who grazes dairy cattle, Brian Wall, said this move had seemed unnecessary considering the profit the Post Office had been making year after year.

Dan Duffy, a sheep and beef farmer from the Waikato who has been farming all his life, is on his second farm which he bought a few years ago.

"I bought it at market rates and my total interest bill this year has risen \$36,000. Now, how in the hell can I continue with the drop in prices I'm getting for stock and the high value of the dollar and the high interest rates?"

"The Government seems hell bent on bringing the value of land down," Mr Duffy said.

## Down drain

He put half a million dollars of his own money in to the property and now the land is worth only 40 percent of a Government valuation done 18 months ago.

"Which means all our equity is down the drain. We have got nothing."

But Mr Duffy pointed out that farmers would not be taken from their farms easily. Many were from a background of farming.

"What the Government doesn't seem to understand is farmers are very much like Maoris. They love their land and they're not going to see anybody manipulating Government moves to force them to leave their farms."

## Fight to death

"They're going to fight to the death," Mr Duffy said.

While many farmers wives had stayed at home to look after the farms a few had come along in support. Margaret Matheson, who is in partnership with her husband on a Tekauwhata beef farm, said she was particularly concerned about the effect of the crisis on the rural communities.

Families were leaving these areas and school roles were dropping making education difficult, she said.

And there were the emotional problems too, Mrs Matheson said.

"Farmers who have worked all their lives on farms think they're failures — and through no fault of their own. There have been about 15 suicides in the Waikato area over the last six months," she said.

Wife of Kaipara sub-province Federated Farmers president, Mrs Judith Larsen, said she becomes depressed herself when she answers the telephone to hear farmers and their wives talk of the stress and depression they are feeling.

"Most of the day I answer the phone." The callers want to speak to her husband, but if he is not in the house she takes the messages.

"I'm also concerned the city people still don't realise what's happening."

## Feeling pinch

"It is going to affect the whole country when we do contribute such a large proportion of export earnings."

Business such as stock carriers, top dressing firms and farm machinery stockists are also feeling the pinch, she said.

The farmers say they know of some such companies in Northland which have gone into receivership and others are struggling to stay in business because farmers can not afford to buy their services.

/12828

CSO: 4200/1050

NEW ZEALAND

MOORE URGES RURAL SECTOR TO FACE TRADE CHALLENGES

Wellington THE EVENING POST in English 30 Apr 86 p 3

[Text] Overseas Trade Minister Mike Moore today urged the country in general, and farmers in particular, to "get off their backsides" and face future trading challenges.

Speaking to the Wanganui Chamber of Commerce, Mr Moore said New Zealand now faced some of its biggest trading challenges ever. It was, he said, a war without guns.

"But the best fighters, as in war, are volunteers. Some New Zealanders are still waiting to be conscripted by subsidies.

## Hurling

"Some say they serve by wearing out their shoe leather on the front steps of Parliament today (referring to the farmers' protest) and by hurling eggs, thinking that

will solve their real marketing problems on the other side of the world," he said.

"But the truth is, this country needs to get off its backside." Farmers had to face the real world, he added.

Trading challenges included maintaining New Zealand's access for agricultural products in the EEC, and taking the first steps in re-writing the world's trade rules.

## Knockers

While there were challenges abroad, one of the biggest problems was at home, Mr Moore said.

"It has to do with igniting the will to excel and to win. We need to challenge some of the tired old institutions, and discard the knockers, the blockers, bureaucrats and others who stand in the way."

NEW ZEALAND

GAP-FILLING CONSTITUTION BILL INTRODUCED IN PARLIAMENT

Wellington THE EVENING POST in English 30 Apr 86 p 9

[Article by Tim Grafton]

[Text]

Vexed questions about who was governing the country in the crisis that followed the July 1984 election fuelled debate in Parliament yesterday.

The wrangling came as leader of the House Geoffrey Palmer introduced the Constitution Bill — a Bill, which National's Justice spokesman Jim McLay said was "probably the most significant constitutional measure to come before the House since the 1954 Electoral Act."

Mr Palmer said the Bill had two main purposes. It clarified the rules relating to the transfer of power following a general election and brought together in one statute the most important constitutional provisions in existing law.

The Bill also ends any power the United Kingdom Parliament has to make laws for New Zealand.

## Muldoon

However, debate on the Bill drew former Prime Minister Sir Robert Muldoon to address the events immediately following election day, particularly Monday, July 14, and the following day.

That period was dominated by the flow of foreign exchange out of the country and whether New Zealand should devalue.

"The reality of what happened at that time was not a constitutional crisis. It was a matter of ignorance of what the law pro-

vided. I was the one that was ignorant and I don't apologise, because I was in very good company," Sir Robert said.

A leading authority on constitutional law, the late Quentin Baxter, said at the time the solution was easy. The Government resigned and the new Government took over, Sir Robert said.

"It was my belief from election night that we could resign as a Government, the new Government could come in and do what I did not personally wish to do and still believe was wrong, namely, devalue the dollar," he said.

It was on the Monday night, once the Prime Minister elect, Mr Lange, had publicly decided to devalue that it was quite impossible to hold it, he said.

## McLay

"It was on the following morning, the Tuesday morning, that the Attorney-General (Mr McLay) came into my office to be greeted by me with the words 'we've got to devalue'," he said.

Mr McLay then informed Sir Robert of a clause that made it impossible for the Muldoon Government to resign, because nobody could replace its members until the election writs had been returned to officially create MPs, he said.

In response to Sir Robert's comments, Mr Palmer said the member for Tamaki had tried to rewrite history. On that Monday night, Mr Palmer said, Sir Robert told a television audience that he would not devalue as long as he was Minister of Finance, and

there was no indication then that he was giving that office up in the immediate future.

"The constitutional crisis was that the Government in office would not act and the Government that had been elected could not act.

"And that was only resolved in fact by the intervention of the member for Birkenhead (Mr McLay), who pointed out in my view to the member for Tamaki, what the correct constitutional position was," Mr Palmer said.

The correct position, he said, was that the outgoing Government act on the advice of the incoming Government.

## Fortunate

"Let no one doubt that we had the makings of a first-rate constitutional crisis on that occasion. And we were very fortunate it was resolved as quickly as it was, because if it had not been this country would have suffered irreparable harm," he said.

"And let there be no doubt that at the time the member for Tamaki was still legally in charge. He was still Prime Minister and Minister of Finance and he would have remained so until the Governor-General either allowed him to resign or dismissed him," he said.

If the situation had persisted any longer, thought would have had to have been taken by the Governor-General to dismiss Sir Robert or allow him to resign, Mr Palmer said.

"It really will not do to say

there was no constitutional crisis. There was and that is the occasion for this Bill," he said.

## Essence

In essence, to smooth the transfer of power after an election, there will be no MPs until the writs from the various electorates have been returned. In practical terms, though, the result of the election will be known.

So, this Bill allows for new Ministers to be sworn in, and they will merely await official confirmation. Should that not come through, the appointed Minister must step down within 40 days of election.

On another aspect of the Bill, Mr McLay said he regretted that it enshrined in New Zealand law two parts of the UK Act of Settlement of 1701. These were that the first-born of the sovereign succeeded to the Throne and that no Catholic could succeed to the Crown.

Mr Palmer said that was the position at present; attempts to change that would create a great deal of problems.

The Bill also removes the Governor-General's power to withhold assent to a Bill passed by Parliament.

Other changes include a requirement for the House to resume not later than six weeks after the return of writs from an election; the election and term of the Speaker; and how High Court judges may be suspended or removed.

3 June 1986

## PHILIPPINES

## EDITORIAL FAVORS MULTIPARTISAN CONSTITUTIONAL COMMISSION

HK161009 Queson City ANG PAHAYAGANG MALAYA in English 9 May 86 p 4

[Editorial: "A Multi-partisan Con-Com"]

[Text] The Aquino Government should consider seriously a proposition ventilated by Mr Blas Ople that opposition leaders be also appointed to the Constitutional Commission [Con-Com] to inject into that body a stamp of multi-partisan support. It is the height of presumption to think that the new government has a sole monopoly of honest and knowledgeable men all of whom would satisfy the criteria that the Con-Com members be of "known probity, independence, patriotism and nationalism. Unless of course, the government has the likes of Mr Arturo Tolentino in mind. [single quotation mark is as published]

In offering the proposal as chairman of the Partido Nacionalista ng Pilipinas (PNP), Mr Ople may not be able to claim the noblest of motivations since his past record as a KBL did not exactly identify and ennoble him as a fiscalizer of the most abusive regime this country has ever known. His "interregnum" statements and other calibrated observations on the prevailing milieu, it must be mentioned in fairness to him, had stretched his distance in personal and official relationship with the reigning tyrants, but many had wished he had done more. Nevertheless, the fact that he tried to do his thing during those parlous days when practically the whole KBL could only bleat like a herd of sheep to every whim and caprice of the Marcoses may be counted in his favor.

The PNP stand against a boycott group in the last elections which presently is "most vociferous in demanding that former political henchmen of the deposed President be barred from membership in the commission" is well taken. For indeed, the question begs to be asked: Where were they when the going was rough? Did they do anything by way of toppling the hated Marcoses, other than straddling the fence, while others were sacrificing life and limb and a fortune for the cause? In considering their present stance, Mr Ople makes a logical distinction: "These elements who have boycotted the last presidential election seem to be making up for their lapse in judgment by waging a campaign to dominate the commission."

The indictment seems valid viewed from the light of past performance. Certainly, no left-leaning organization who cannot even stand up to be counted during the darkest days of the regime has reason now to besmirch or belittle



the Marcos lackeys who were, in the first place, expected to do no better. If they could sit idly by and simply watch while the nation underwent a trauma of historic proportions, they have forfeited the right to seize "any initiative in deciding, the most [word indistinct] issues" involving the nation in the forthcoming constitutional convention.

/12929

CS0: 4200/1036

PHILIPPINES

COMELEC OFFICIAL, COLUMNIST VIEW CONSTITUTIONAL COMMISSION

COMELEC Chairman Makes Proposals

HK161515 Quezon City BUSINESS DAY in English 16 May 86 p 13

[Text] Commission on Elections (COMELEC) Chairman Ramon H. Felipe Jr has submitted proposals for the deliberation of the Constitutional Commission [Con-Com] of 1986 which is scheduled to convene June 2 to draft a new constitution that will replace the provisional Freedom Constitution of the Aquino Government.

Felipe proposed that jurisdiction over electoral contests involving the legislative (whether unicameral or bicameral be given back to the respective electoral tribunals of the legislative body.)

Felipe, however, wanted the COMELEC to have jurisdiction over electoral contests for municipal and Barangay offices. The COMELEC chairman nevertheless set a condition: "The reception of evidence may be delegated to the regional directors (of COMELEC), provincial supervisors, or election registrars who are members of the bar."

The decision of the COMELEC on electoral contests involving municipal and Barangay officials should be final and non-appealable, but those involving provincial and city officials may be appealed on certiorari to the supreme court with 20 days, Felipe added.

As regards public officials running for office, Felipe asked the Con-com which will be created by President Corason C. Aquino to make such officials considered resigned upon the filing of their certificates of candidacy.

"If the presidential system is revived, the two-party system should be strengthened; but if the parliamentary is adopted, then a multiparty system with proportional representation in parliament should be adopted," Felipe said, adding that this may be adopted provided political parties are organized as corporations.

Felipe further said "if political parties are organized as corporations with annual election of officers, then turncoatism should be strictly outlawed."

The COMELEC chairman also recommended that a constitutional provision be inserted which will prohibit the replacement of a disqualified nuisance candidate by another candidate.

As regards voters, Felipe batted for the abolition of voting by illiterates. "Many of them have no way of knowing the name of the candidates written on the ballot by their assistants," he explained.

"Residence or domicile for purposes of registration and voting should be redefined to discourage double registration or proliferation of flying voters." Felipe said.

On the COMELEC itself, Felipe proposed that the name of the poll body be changed to Tribunal on Suffrage. This is to remove the stigma of its past and improve its eroded image, Felipe added.

The composition of the poll body should be reduced to only seven and they will have a uniform term of seven years, he said.

Felipe said the COMELEC should have a sufficient budget which should be released automatically every quarter or semester and subject to auditing rules and regulations.

On political campaigns, Felipe recommended that all election materials, whether accountable forms or not, be done by the bureau of printing.

"All radio and TV stations, owned by the government or by private corporations, shall give free of charge equal time and prominence of not less than 30 minutes weekly at least to an accredited political party. Its candidates may demand that at least one such weekly program of not less than one hour be common for all political parties and their respective candidates in the format of a debate," Felipe suggested, adding that no such debate shall be cancelled by reason of the absence of any candidate.

The COMELEC chairman also made these proposals to for the deliberation of the Con-Com:

--Members of accredited citizens' arms should be made members of board of inspectors and board of canvassers, in place of the COMELEC officials.

--Appointment of new employees, creation of new position, promotion or giving salary increases should be absolutely prohibited during the election period.

--Release, disbursement or expenditure of any public fund for any and all kinds of public works, except emergency work, should be absolutely prohibited.

--Suspension or removal of any public fund for any and all kinds of public works.

--Suspension or removal of any elective or appointive public officials or employees, whether national, provincial, city, municipal or Barangay, should

be absolutely prohibited during the election period, unless for a crime properly filed with a court.

--Construction of any public works, except emergency work on the issue, use or availment of treasury warrants or any device undertaking future delivery of money, goods or other things of value chargeable against public funds shall be strictly prohibited.

#### Columnist on Importance of Delegates

HK161539 Quezon City BUSINESS DAY in English 16 May 86 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "For All Our Sakes"]

[Text] I never thought I'd live to see the day I'd actually be in agreement with former KBL assemblyman Manuel Garcia. Said he on the formation and appointing of delegates to the Constitutional Commission: "The right way is not for one person to select but for the people to elect members to a constitutional convention."

I buy that. But at this particular time, and with Mrs Aquino bent on meeting the May 25 deadline, it is perhaps futile to argue the point. Mrs Aquino appears to be in a hurry to move out of a provisional government and into a constitutional government. And with the ratification by the electorate of a new constitution, questions on her government's "legitimacy" will finally be laid to rest. Then, with the forthcoming election of lawmakers and local officials, hopefully, the political climate will finally stabilize.

Furthermore, the military, "constitution-oriented" traditionally, will perhaps slide back into its apolitical role and abide by the constitutional provisions with fervor, knowing that the fundamental laws, whether written by elected or selected delegates, have the approval of the nation.

But what will the selected delegates, working under time pressure, bat for? The parliamentary, the presidential, or the federal system of government?

It was reported recently by Political Affairs Minister Antonio Cuenco that the Aquino Government will bat for the revival of the presidential system of government with a bicameral congress. He gave two reasons for this: One, that the parliamentary system under Mr Marcos was a failure and two, that the presidential system was more suited to the customs and traditions of the Filipino people.

I will agree that the parliamentary system under Mr Marcos was a failure. But it was designed to fail. Under Mr Marcos and his rubber stamp KBL, any system of government was doomed, except his dictatorship. Mr Marcos did not give the parliamentary system a Chinaman's chance to flourish. During the so-called "transition" period, it was the Marcos "presidential" system that was in place. The "presidential" system was further strengthened when the Marcos Constitution was amended to include a vice-presidential successor. What we had was an unbridled presidential authority grudgingly allowing a unicameral legislative body to share in its law-making powers. What we had

was a system that vested awesome powers on the Philippine president. What we did not have in the system was the necessary checks and balances, thus paving the way for wanton government abuse.

Is the presidential system more suited to the customs and traditions of the Filipino people? Perhaps. It is after all the only system we knew and experienced before the entry of martial law and strongman rule. And while the system was imperfect, it did work, to a certain extent, for the Filipinos and would have survived had Mr Marcos not thought of instituting martial rule and fashioning his own constitution to perpetuate himself in power.

On the other hand, if Mr Marcos had not interfered and had stepped down when his term was up and the pure parliamentary system of government was adhered to strictly, the nation would perhaps have gotten used to this system and would have perhaps discovered it to its liking. One can never tell.

But whatever system the Filipino people will approve or reject come plebiscite day, what is of importance is that, with the opportunity to rewrite our charter with the atmosphere of freedom present, the nation must see to it that the liberties of man can never be abridged by government, that the powers of the president, under a presidential system or the prime minister, under a pure parliamentary system, are clipped, that emergency powers cannot be called upon at whim, that the three branches of government are really and truly co-equal and independent of one another, that the president should no longer be given the power to legislate or be granted the lifetime privilege of immunity, and that a strong system of checks and balances be provided for.

Mr Cuenco reportedly indicated that the administration wants the duration of martial law, whenever legitimately declared, to be limited to only 30 days. Furthermore, he was said to favor a six-year presidential term with one reelection. This, to me, is too long a term for any president, even a democratic one, to have. Twelve years of the same leadership? Is the Aquino Government already thinking of reelection and staying on in power for the next 12 years?

Perhaps instead of lobbying for a presidential system of government and battling for a presidential six-year term with one reelection, the Aquino Government should make certain that the Con-Com delegates be left free from any undue presidential influence and pressure in their job.

Our Con-Com should resist pressures and stop thinking of repaying whatever debt of gratitude they may feel they have. If they have to owe anyone, they owe the Filipino people. And they have to strive to translate the Filipino's dreams and aspirations as a nation.

We had elected Con-Com delegates in 1971, placing our hopes and trust on them. They failed the nation miserably as they came up with a constitution that made it possible for one man to subjugate and debase a nation.

Today, there is again that opportunity to rewrite that fundamental charter for the Filipino people.



The government and its appointed delegates had better not betray the Filipino people.

For the sake of the country.

For the sake of the nation.

And for the sake of the Filipino who aspires for nothing more than a better and free country for him, his children and his great grandchildren.

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CSO: 4200/1036



PHILIPPINES

GOOD GOVERNMENT COMMISSION SEQUESTERS 180 FIRMS

HK161525 Quezon City BUSINESS DAY in English 16 May 86 p 11

[By Ramon R. Isberto]

[Text] Ten weeks in operation, the Presidential Commission on Good Government [PCGG] has definitely moved into the big time of the corporate world.

As of yesterday, the PCGG has sequestered either the documents, assets or shares of stocks, or all these - lock-stock-and-barrel -- of almost 180 corporations, institutions, museums, newspaper companies, resorts, etc., where ousted President Marcos and his associates are suspected to have "illegally acquired holdings."

The commission has not yet estimated the total value of the sequestered assets. BUSINESS DAY tallied the total assets of about 46 PCGG-listed corporations which have either been sequestered or shares of which have been sequestered, and came up with this sum: P52 billion.

The liabilities add up to P42.73 billion; stockholder's equity is P9.32 billion; gross revenues total P29.25 billion; and combined income is P1.39 billion.

These figures do not refer to the actual value sequestered. But if the interests of Marcos and his associates comprise the controlling blocks in the various enterprises, then these figures provide a gauge for measuring the business clout of these interests.

The combined gross revenues of these 46 establishments comprise about 5 percent of the 1984 gross national product -- the total output of goods and services of the Philippines that year.

A partial list -- of 144 establishments -- released yesterday by the PCGG shoed the extent of Marcos interests in business. Some hitherto unpublicized cases of sequestration show up in the list -- such as that of Pilipinas Shell Petroleum Corp.

Last April 14, or a month ago, the PCGG sequestered First Philippine Holdings Corp's 25 percent interest in Pilipinas Shell. Alleged to have been controlled

by the Benjamin Romualdez group, first holdings' interest in Shell had a book value of roughly P360 million as of end 1985.

On the same day, the commission also sequestered the Philippine Jai-Alai Corp, another Romualdez firm. Franchise holder for Jai-Alai facilities in various parts of the country, the company had total assets of P147.4 million as of 1984.

On April 17, the CPGG sequestered interests in Challenge Corp of the Philippines suspected to be owned by Eduardo Cojuangco Jr.

A week later, alleged Cojuangco interests in 14 other companies were sequestered. These included E.M. Cojuangco & Sons Agricultural Enterprises, Inc., Filsov Shipping Agency, Universal Motors, Inc. and Commercial Motors Corp.

At about the same time, the commission sequestered assets of Roberto S. Benedicto in Traders Royal Bank, Republic Planters Bank, the PHILIPPINE DAILY EXPRESS, Universal Molasses Corp, and 21 other enterprises that included several haciendas.

The names of five close Marcos associates dominate the PCGG list. Antonio c. Florendo and Cojuangco top the list with 37 companies each. Twenty-five Benedicto-linked companies have been sequestered. Benjamin romualdez accounts for a further 16 and Jose Y. Campos, 13.

The sequestered assets cover a wide range of enterprises: banks, mining companies, holding companies, agricultural firms, plantations and ranches, motor vehicle retail firms, shipping companies, realty firms, casinos, museums, condominiums (at Legaspi Towers) coconut oil mills, insurance firms, wood manufacturing outfits, TV-Radio stations, newspapers, port service firms, and trading firms.

First holdings acquired its 25 percent interest in Shell in 1975, a year after Romualdez interests (through Palm Avenue Realty) bought into Benguet Corporation.

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CSO: 4200/1036

PHILIPPINES

CORPORATE INVESTMENTS REPORTEDLY DECLINE

HK161616 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 16 May 86 pp 9,  
11

[By Joel Gaborni]

[Text] The unstable political and economic conditions in the country continued to take their toll on fresh corporate investments, which during the first four months of the year dropped by 52.5 percent compared to the same period in 1985.

According to the Securities and Exchange Commission (SEC), the total amount of fresh capital infused by new and existing enterprises (corporations and partnerships) from January to April reached only P1,200.9 million over P1 billion less than last year's four-month figure of P2,532.5 million.

Of the total figure, investments by new enterprises accounted for P457.2 million, dropping by 60.2 percent compared to P1,149 million equity infusion by new companies last year.

The additional or expansion investments made by existing companies also dropped by P639.8 million to P743.7 million from the preceding year's figure of P1,383.5 million.

For April alone, the SEC reported that some 416 new stock corporations and partnerships were organized. They brought in some P96.1 million in fresh capital. Compared to the March level, the number of new enterprises went up by 7.2 percent from 388, while in terms of capital infusion, the increase was by 30.4 percent of P22.4 million.

The capital infusion by new enterprises during the month raised to P390.6 million the total fresh investments recorded by the SEC. About P294.5 million of this amount was contributed by existing enterprises.

The April investments were 164.2 percent more than the investments the previous month, which the SEC reflected the return of confidence by small business entrepreneurs in the new government. [sentence as published]  
SEC officials said that the bulk of new entrants last April were small business firms, indicating that the prevailing attitude among small businessmen is not affected by the wait-and-see attitude of big-time investors.

PHILIPPINES

BROADCAST CITY GETS ADDITIONAL ADMINISTRATOR

HK161531 Quezon City BUSINESS DAY in English 16 May 86 p 10

[Text] Business leader David SyCip is set to join the board of administrators overseeing Broadcast City's three television networks.

Broadcast City houses Radio Philippines network or Channel 9, Intercontinental Broadcasting Corp. or Channel 13, and Banahaw Broadcasting Corp or Channel 2.

Francisco Licuanan III, acting chairman of the board, said SyCip was in the original list of persons for appointment to the board created by presidential executive order mid-April.

However, SyCip was abroad then and his acceptance of the appointment could not be obtained, Licuanan said.

Last April, Information Minister Teodoro Locsin Jr. named five of the board's seven members: Licuanan III, Manuel Morato, Ninez Cacho-Olivares, Virgilio Yuson, and Ricardo Nepomuceno.

Nepomuceno recently resigned. Licuanan said Nepomuceno has been assigned a government post. According to the executive order creating the board, all the members must be from the private sector.

Licuanan is a senior vice-president of Ayala Corporation. He was named officer-in-charge in Broadcast City last March 1. When the board of administrators was created, he became its acting chairman.

Morato represents "the business orientation with artistic inclination" in the board, Licuanan said.

Cacho-Olivares is a columnist of BUSINESS DAY and formerly a newscaster in a station at Broadcast City.

Yuson represents advertising agencies which account for much for the revenues of the Broadcast City networks.

The executive order authorizes the board to manage the three networks which total 14 TV stations and 27 radio stations.

Licuanan said the board has influenced programming in the networks but that it has also formed "programming committees" which include all officials who may be involved in programming, such as the program manager or director, production manager, sales manager, and merchandising manager.

3 June 1986

## PHILIPPINES

## SURVEY SHOWS RISE IN VALUE OF PRODUCTION INDEX

HK161543 Quezon City BUSINESS DAY in English 16 May 86 p 2

["Economic Indicator" column: "Value of Production Index Up"]

[Text] The value of production index of key manufacturing enterprises in February improved 3.34 percent from the year ago level, a survey conducted by the National Economic Development Authority (NEDA) showed.

NEDA conducts a monthly survey covering some 400 firms which provides the basis for the derivation of various manufacturing indices. The survey showed that the value of production index for February, using 1985 as base year, stood at 101.9 index points, up by 3.3 index points from the previous year's 98.6 index points.

The improvement could be attributed to the general increase in prices of raw materials and other inputs.

The production index measures the cost incurred by a manufacturing firm in producing goods and services for a particular month during a reference year compared to its corresponding figure during the base year. Generally, it includes the cost of direct labor, raw materials and the manufacturing overhead.

Among the different manufacturing subsectors, five registered increases in their value of production indices. These were: petroleum products, 64 percent from 87.8 index points to 144 index points; basic metals, 11.72 percent from 80.2 index points to 89.6 index points, wearing apparel, 13.7 percent from 81.4 index points to 92.6 index points, tobacco, 7.2 percent from 90.3 index points to 96.8 index points; and non-metallic mineral products, 1.28 percent from 93.6 index points to 94.8 index points.



Index of Value Production of Key Manufacturing  
Enterprises, by Industry  
February 1985 to February 1986  
(1985 Equal 100)

1985

	February	March	April	May	June	July	August
All sectors	98.6	104.1	99.1	105.3	96.9	96.4	97.8
Food	101.0	108.0	98.4	99.3	102.3	98.3	96.0
Beverage	94.0	103.2	108.0	109.3	100.5	90.9	92.7
Tobacco	90.3	103.9	90.7	106.1	93.5	102.6	105.1
Textile	97.1	104.5	72.8	92.6	98.6	107.3	102.6
Wearing Apparel	81.4	87.1	86.5	100.2	93.9	110.2	107.1
Wood & Wood Prod	123.6	119.3	121.6	112.6	105.9	99.0	95.0
Paper & Paper Prod	111.0	104.1	118.1	92.2	86.6	92.6	96.7
Chemical & Chem Prod	106.5	91.8	99.6	97.4	84.8	93.6	93.1
Rubber Products	105.5	97.7	85.5	94.8	83.1	101.2	105.5
Petroleum Prod	87.8	97.2	117.6	126.6	90.5	86.0	91.1
Non-met Min Prod	93.6	112.6	92.1	108.2	104.2	111.1	109.9
Basic Metal	80.2	94.2	96.1	113.0	86.1	93.1	110.4
Transport Eqpt	74.6	58.7	82.4	78.3	125.9	111.0	120.8
Electrical Machinery	128.6	147.1	82.2	100.4	104.5	92.5	89.9
Miscellaneous	107.2	116.0	109.0	103.8	106.2	111.2	94.9

1986

	September	October	November	December	January	February
All Sectors	88.9	103.6	101.1	108.5	98.9	101.9
Food	88.3	97.3	91.2	93.6	98.9	99.5
Beverage	92.4	92.6	100.8	106.2	80.9	76.7
Tobacco	99.6	107.4	102.2	97.5	115.5	96.8
Textile	105.9	118.2	114.1	90.6	84.8	87.0
Wearing Apparel	108.9	108.7	102.9	122.2	88.9	92.6
Wood & Wood Prod	78.2	84.7	86.8	72.4	51.6	59.9
Paper & Paper Prod	99.8	108.6	106.9	97.1	83.2	99.8
Chemical & Chem Prod	100.0	99.5	100.9	112.6	93.3	94.4
Rubber Products	101.9	117.3	96.8	115.3	85.1	92.5
Petroleum Prod	62.0	120.8	113.0	121.7	155.2	144.0
Non-met Min Prod	93.3	71.7	89.8	114.8	92.1	94.8
Basic Metal	106.1	103.9	103.3	150.5	74.0	89.6
Transport Equip	108.8	114.9	113.6	138.6	76.2	67.6
Electrical Mach	86.0	89.3	92.7	86.7	67.3	93.1
Miscellaneous	90.5	84.4	82.6	59.8	104.4	126.3

Source: Statistical Coordination Office, National Economic and Development Authority

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CSO: 4200/1036



PHILIPPINES

PRESIDENTIAL GUARDS SACKED AFTER MALACANANG BREAK-IN

HK180802 Hong Kong AFP in English 0752 GMT 18 May 86

[Text] Manila, 18 May (AFP) -- President Corason Aquino's personal security chief Sunday sacked an unknown number of her military bodyguards and ordered an investigation into a mysterious break-in at the presidential palace.

The move followed an announcement that the bedrooms of deposed President Ferdinand Marcos and his wife Imelda at Malacanang at their former palace were broken into early Saturday, the second such incident in less than a month.

Presidential Security Group Chief Colonel Voltaire Gazmin said "key officers and men" assigned to Malacanang palace were relieved and replaced with a new set of military guards as a result of the incident.

He did not say how many officers and men were relieved. The actual size of Mrs Aquino's security detail is a state secret.

Col Gazmin said in a press statement that his office was conducting a joint investigation into the intrusion together with the National Bureau of Investigation and the paramilitary constabulary [as received] "to preclude any impression of a whitewash."

"The investigation is being centered on the military personnel assigned as security to the palace. However, the extent of the investigation is also with the other people who have access to the palace," he added.

He did not say whether anything was missing or indicate how many people were believed involved in the break-in. The palace was guarded by 10 soldiers that night.

Malacanang is now a popular public museum showcasing the luxurious lifestyle of the Marcoses, who fled into exile late February in the wake of a popularly-backed military revolt. Mrs Aquino holds office at an adjacent building.

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CSO: 4200/1036

PEOPLE'S REPUBLIC OF KAMPUCHEA

INDUSTRIAL REVIVAL, CAPACITY REPORTED

Hanoi VIETNAM YOUTH in English No 1, 1986 pp 27, 28

[Article: "Kampuchea's Industry in Steady Development"]

[Text]

In keeping with the country's renaissance, Kampuchean industry has been developing incessantly. By now, almost 90 per cent of the old factories have been humming again after long years of inactivity under the Pol Pot regime.

After liberation (Jan. 7, 1979) — one would still remember — all the enterprises were in utter desolation with machinery and equipment destroyed or dismantled. The majority of workers and technicians had been massacred by Pol Pot and the few surviving ones were dispersed almost everywhere in the countryside. In response to the appeal of the People's Revolutionary Committee, they returned one after another to resuscitate their beloved factories. The most urgent problem at the moment was water and electricity for the capital city. In a very short time, three power plants of a capacity of 20,000 kw in Phnom Penh began functioning again. With electricity and water available and workers at hand, with the help of experts from Vietnam and other brother countries, the enterprises were rehabilitated one after another.

Since then, Kampuchea's industry has made rapid strides. Every year, the value of industrial output doubled. This tempo will still continue for a few years to come. In 1983, the whole industrial branch set to economic accounting, began doing business with interests and assured an important part of the income source for the State budget.

Kampuchean industry, though still of no large scale, is already on a par with the whole nation's economy. Its structure includes almost all the essential branches such as electricity, engineering, chemicals, building materials, textile, light industry, foodstuffs, etc... In time of stabilization, its production capacity can reach a level like this: 30 million meters of cloth, 4,500 tons of paper, 200 million packs of cigarettes, 2 million litres of liquor, 15 million bottles of syrup, 8 million litres of beer, 50,000 car tires (inner tubes included) etc...

The branch of production of car tires and processed rubber articles is one of the strong points of Kampuchean industry. The Czechoslovak-equipped Tak Mau car tire factory of a capacity of 120,000 units per year can produce tires of 11 different sizes. Since its rehabilitation, it has turned out more than 20,000 assorted tires, part of which for export. At present, with Czechoslovak aid, the Tak Mau factory is striving to achieve the re-instatement in the initial capacity.

Bicycle tires and Kampuchean soft sandals are commodities much in demand. Many countries have ordered the latter article at as great quantities as millions of pairs. Kampuchea has a great capacity in production of rubber latex and its output of rubber as raw material is increasing rapidly, meeting not only the need at home, but also export requirements in great quantities.

The textile branch is set up in three main areas: Phnom Penh, Konpongcham and

Battambang. Against great odds, it has been rehabilitated in the main. Though the output is not important yet, the articles are rife and variegated with numerous sorts of printed stuffs and sarongs of typically national colors.

Cigarettes also represent a forte of Kampuchea's industry. Kompongcham, Kandal, Kratié are traditional tobacco-grown regions with tens of thousands of hectares put under baccy. Three cigarette factories with a total capacity of 200 million packs have resumed functioning by 1 or 2 shifts per day. This year, the cigarette output has reached 50 million packs and will soon increase 2-3-fold so as to reduce the amount of illegally imported cigarettes and step up exports, contributing to uplift the State budget.

Other enterprises of the light industry and foodstuff branch such as alcoholic liquors, aluminium, plastic, ceramics, paper etc... have functioned normally again, assuring an important part of the people's requirements in consumables.

The engineering branch is step by step bringing into play its positive effect on the communication and transport and other branches of production in the supply of equipments, tools, spare parts... and repairs, especially in the service of agriculture. It is now striving to produce bicycles, tractor pieces, high-capacity husking machines and build lighters...

With Soviet aid in equipments, the young building industry of Kampuchea has grown up rapidly. The National Building Company

of the Ministry of Industry takes in charge most of the major works, including the construction of the electric plants in Phnom Penh, Kompong Cham, Kompong Som, Battambang, Siem Reap. By the end of 1984, the national grid are to reach a total capacity of over 35,000 kw, according to plan.

Alongside the development of centrally-run industry, regional industries and handicrafts have been rapidly rehabilitated. Handicrafts have been concentratedly oriented toward production of common consumables, processing of agricultural products, repairs and service... The production of *thot-not* sugar, a Kampuchean specialty, is entirely assured by the handicraft branch with a yearly output of thousands of tons. Handicrafts vigorously develop even in such enemy-plagued frontier provinces as Battambang, Siam Reap, Parsak, Predvihar.

The contingent of industrial cadres and workers never ceases to increase. At the liberation, there were only a little more than 40 surviving engineers and middle-level technicians. This figure now rises to the hundreds. Apart from the cadres formed on the spot through practical production, a number were sent to be trained abroad.

In its relations of cooperation with Vietnam, Kampuchean industry has received wholehearted assistance from its Vietnamese counterpart in all fields: electricity, engineering, building, chemicals, light industry, foodstuffs.

The past five years mark an important step forward of Kampuchean industry on the path of socialist industrialization which promises greater successes in the future:

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CSO: 4200/1056

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

READER CALLS ON PEOPLE TO HELP STAMP OUT SMUGGLING

Hanoi DOC LAP in Vietnamese 19 Mar 86 p 7

[Readers Write column by Nguyen The Hung, Sa Dec City, Dong Thap: Stop the Black Marketeers in Hong Ngu"]

[Text] Hong Ngu District in Dong Thap Province is located next to Cambodia. Today, just as in the past, many black marketeers smuggle gold across the border here and purchase foreign goods, which they then resell for a profit. In recent years, the Dong Thap provincial industrial-commercial tax sector has made 7,460 inspections and arrested smugglers trading in state-controlled goods and contraband items. Some of these smugglers were selling gold, silver, Western drugs, foreign cigarettes, MSG and aquilaria agallocha. It has seized 75 ounces of gold, 3 kg of silver and 50 kg of aquilaria agallocha (the domestic price of type 1 aquilaria agallocha is 7,000 (new) dong per kg; abroad, it can be sold for 15,000-30,000 dong per kg). Almost all of the foreign goods that they were trying to smuggle into the country were luxury goods. The commodities and profits of the smugglers can monopolize markets and prices and create great difficulties for transforming and building our socialist economy.

In 1984, temporary business taxes accounted for 30.26 percent of the provincial industrial-commercial tax sector's total revenues. In 1985 this rose to 30.56 percent even though the black marketeers used various means to escape detection by the tax cadres. For example, they used boats and junks with double bottoms and double decks. They pretended to be transporting fish, but actually they were carrying contraband. Some used 20-liter steel gasoline containers. They hired welders to make a small hole that could hold 2-3 liters. If the container is opened, all you can see is gasoline or oil. But the bottom is filled with contraband items obtained from across the border. They used these containers to smuggle tens of kg of wrappers for rolling cigarettes, various types of filters and hundreds of Citizen watches. In order to get past the tax stations, black marketeers have hired dozens and even hundreds of workers in Hong Ngu District to carry goods for them night after night to boats waiting to pick up the goods. The marketeers have even used soldiers returning home from Cambodia to escort the boats for them.

Many people who do not realize the extent of the illegal activities of the speculators and black marketeers frequently complain about the delay when tax cadres make inspections. They have not evaluated the role of these inspections correctly.

Entering 1986, as Tet of the Year of the Tiger approached, the smugglers became much more active on both land and river. We cannot just look on passively in the face of the terrible damage caused by these dishonest merchants. We must support the legitimate activities of tax cadres and help them discover the black market centers in order to stop these people in time.

11943

CSO: 4209/487



INTERNATIONAL RELATIONS, TRADE, AND AID

CPV CC GREETES CZECHOSLOVAK PARTY ANNIVERSARY

BK180914 Hanoi Domestic Service in Vietnamese 1430 GMT 13 May 86

[Text] On 13 May 1986 the CPV Central Committee sent a message of greetings to the Communist Party of Czechoslovakia [CPCZ] Central Committee on the occasion of the CPCZ's 65th anniversary. The message said:

Thanks to their creative skills and tireless work, the Czechoslovak people, led by the CPCZ, have turned their country into one with modern industry and agriculture, with advanced culture and science, where the people's material and spiritual life is improving daily.

Due to Czechoslovakia's foreign policy of peace which advocates close unity and cooperation with the Soviet Union and other socialist countries as well as with the world's revolutionary, democratic, and progressive forces, the international prestige and position of the Socialist Republic of Czechoslovakia have increasingly risen.

The Communist Party and people of Vietnam note with great joy and pride the many great successes scored by the Communist Party and the fraternal people of Czechoslovakia.

We are convinced that by implementing those important resolutions adopted at the 17th CPCZ Congress, the Czechoslovak people will be able to score many new and still-greater successes in building a developed socialist society.

We are very pleased to note that, bound together by the two countries' treaty of friendship and cooperation, fraternal friendship, militant solidarity, and all-round cooperation between the CPV and the CPCZ and between the peoples of Vietnam and Czechoslovakia on the basis of socialist internationalism have been increasingly strengthened and consolidated and have produced many very fine results.

We wish the fraternal Czechoslovak people, led by the glorious CPCZ, more glorious successes in their socialist construction, thereby contributing greatly to the struggle for peace and security of various nations in the world. May the fraternal friendship, militant solidarity, and all-round cooperation between the parties and peoples of Vietnam and Czechoslovakia be constantly consolidated and developed.

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CSO: 4209/539



PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

1986 TO MARK NEW CHANGES IN FATHERLAND FRONT ACTIVITIES

Hanoi DAI DOAN KET in Vietnamese 17 Mar 86 p 3

[Article by Le Quang Dao, secretary, CPV Central Committee: "Making New Changes in Vietnam Fatherland Front Activities"]

[Text] Last year, the front's activities showed much progress, particularly in connection with its work at the basic level in residential areas. Many localities brought their activities to every street, hamlet, and family; did realistic work for the material and spiritual life of the masses; and stressed the spirit of solidarity and mutual help in overcoming difficulties caused by natural calamities and enemy action, contributing to building the economy and consolidating national defense, maintaining order and security, and fulfilling our international obligation. Such progress was recognized as a new development in its work in the spirit of Directive 17 of the party secretariat. This progress represents precious lessons of great significance that will help the front's activities in 1986.

However, the progress and achievements made are only at a definite level. We must see the aspects that have not yet been achieved in order to reach forward further together. For the results obtained are not commensurate with the great capabilities of our country's revolutionary masses, nor have they responded to the very heavy and urgent requirements of our revolutionary task.

We must make very great efforts in order to develop the collective ownership right of the masses, to fight violations, to promote the movement to boost production and to practice thrift, to stabilize the standard of living, and to fulfill the two strategic tasks of our country's present revolution.

Although the front's work at the basic level has obtained many remarkable results and much progress, they have been just the beginning and have not yet created various models of activities in different installations; we must have plans to review and further expand the progressive models.

The localities that have made changes and progress owed their success to an initial understanding of Directives 17 and 53 and other directives and resolutions of the party dealing with the work for the masses. But regrettably quite a few localities and, first of all, many people in the party committee echelons, organizations of the administration, and mass

organizations have failed to understand such directives; as a result, the difficulties in the front's work have not been resolved quickly enough.

The resolution of the Ninth Plenum of the CPV Central Committee has this to say: "1986 is the year that opens the 1986-1990 5-year plan, which has a very important significance for fulfilling the socioeconomic tasks and goals proposed by the Fifth Party Congress in the first leg of the transitional period. 1986 must be the year in which the collective ownership right of the working people is further developed, the revolutionary mass movement throughout the country is enthusiastically carried on, and the leadership by the party and management by the state show obvious improvement toward making strong changes in reaching the proposed goals."

However, we are carrying out Resolution 9 of the party in a situation in which there are many great economic and social difficulties. In order to continue carrying out Resolutions 6, 7, 8, and 9 of the party, there must be two basic factors: the mass movement for revolutionary action and the new management mechanism in production installations.

In this situation, the greatest task of the VFF remains the same one mentioned in the Fifth Party Congress resolution: "Upholding the solidarity tradition of all our people, the VFF must use propaganda and proselyting to encourage all strata of the population, religions, ethnic groups, and notables to enthusiastically take part in revolutionary movements and in building and consolidating the administration, strengthening the socialist law, strengthening our society's political unanimity and spirit, and developing the collective ownership right of the working people in the socialist construction and defense of the fatherland."

The principal tasks in 1986 are:

1. Further develop the collective ownership right of the working people and raise the sense of self-reliance and of overcoming difficulties to promote production and thrift and to stabilize the standard of living. Make all the people correctly evaluate the achievements that have been made, look straight at shortcomings and difficulties, see the country's favorable conditions and prospects for moving forward with confidence and a strong sense of responsibility, turn toward the party congress, and fulfill the great tasks of 1986 with the greatest results. The more difficult the tasks are, the more united our people will be as they bravely move forward. The VFF echelons must display this precious traditional lesson and actively contribute to carrying out the masses' collective ownership right, for the purpose of building the new system, the new economy, the new culture, and the new man. This is a process of struggling, building, perfecting, teaching and properly complying with regulations and laws, developing the fine qualities of the Vietnamese people, and fighting vices and bad habits.

2. With the spirit of the state and the people working together, the VFF echelons, along with the members' mass organizations, have succeeded in mobilizing the people's organizations for doing many things of very important significance, such as building friendly-relations houses; setting up funds for

the elderly and for victims of natural calamities, storms, and floods; giving aid to combatants and people in border areas; planting trees; developing the family-based economy, and so on. This proves that no matter how difficult the situation may be, if we know how to do things, know how to rely on the people, use all available capabilities, and respond to the people's realistic needs and legitimate aspirations, we will be totally capable of moving the masses' revolutionary movement forward. The VFF echelons must complete preliminary reviews in time--to draw good experiences and examples, to promptly propagate them, to create uniform changes in various installations, and to join with the country as a whole in overcoming the great difficulties of today.

In nearly 3 years of implementing Directives 17 and 53 on "strengthening the party leadership over the VFF work in the new stage" and "strengthening the party's work for the masses" under the leadership of party committee echelons, with efforts of the member organizations and VFF cadres, we have made obvious progress in the VFF work. The question at this time is there must be greater concern about leadership on the part of the party committee echelons so as to popularize the good experiences more quickly, to propagate the good examples more quickly, and to overcome the weak aspects more quickly.

3. 1986 is the year in which we convene the party congress and build the party, the revolutionary organizations under party leadership, the VFF, and mass organizations to make them organizationally stronger and to raise their quality and the effectiveness of their work. In 1986 we must complete a final review of our implementing Directive 17 and attach importance to providing cadres with advanced training and drafting work procedures for the VFF committees at all levels and between them and the administration and member organizations.

That is the reason why 1986 must be the year for new changes in terms of organization and work within the VFF system.

The VFF echelons must be more active in proposing to the party committee echelons resolutions that deal with urgent matters and in building close work relationships with administration officials at all levels.

4. This year let us propose that the front launch an emulation movement in member organizations, all strata of the population, and the VFF system at all levels to score achievements as a way to greet the party organization congresses and the party congress. In this emulation movement we must build friendship and solidarity, help one another to make progress, and fight any evidences of formalism and showoff, which do not bring about realistic results.

5. The VFF committees at all levels, along with the Mass Agitation Committee and mass organizations, must help the party committee echelons to introduce for discussion at party organization congresses at all levels the contents of the Political Bureau and Secretariat resolutions and directives on mass proselyting and the VFF work. Only then will such resolutions and directives, particularly Resolutions 17 and 53 of the Secretariat and Resolution 26 of the Political Bureau (on youth-proselyting work), be profoundly understood by all party organizations and be transformed into positive action.

6. The CPV is the party of the Vietnamese worker class. It loyally represents the interests of the worker class, working people, and the nation as a whole. The worker class, as well as the working people, both white- and blue-collar, and all our people have the responsibility for building the party and offering their opinions to party members and cadres in the early-1986 period of party organization activities aimed at making criticisms and self-criticisms. I suggest that all party members in the VFF uphold the spirit of self-criticizing, urgently and greatly respect and receive critical opinions from the front members, and actively correct any shortcomings in order to work more effectively. I suggest that all VFF echelons make criticisms and self-criticisms, display the strong and good aspects, correct the weak aspects, and make their own ranks more and more united and their work more and more effective everyday.

7. I suggest that VFF committees at all levels introduce to the party capable people for congresses at all levels to elect into party committees and people who enjoy confidence and have the capabilities needed to hold key positions in the front organizations at all levels, in the spirit of the Secretariat's Directives 53 and 17, to make the party committee echelons lead better the mass agitation and VFF work.

I believe that the VFF, which is the broadest sociopolitical organization, will be doing better work in order to join with all our people and army in successfully fulfilling the great tasks of 1986, the year that starts the 1986-1990 socioeconomic plan of our state, in order to score achievements as a way to greet the Sixth CPV Congress.

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CSO: 4209/465



PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

EMULATION SERVES AS LEVER FOR VFF ACTIVITIES

Hanoi DAI DOAN KET in Vietnamese 17 Mar 86 p 4

[Article by Huynh Tan Phat, chairman, VFF Presidium: "Lever for VFF Work-- Hanoi Leads the Emulation Movement Among Three Municipalities of Hanoi, Haiphong, and Ho Chi Minh City; Gia Lai-Cong Tum, Among Three Central Highland Provinces of Dac Lac, Lam Dong, and Gia Lai-Cong Tum"]

[Text] President Ho once taught us: "Emulation means unity, patriotism, international spirit, contribution to peacekeeping, and transformation of man." He also mentioned the major shortcomings: "There still are people in many places, first of all cadres, who fail to understand very clearly the meaning of the emulation movement." He then reminded us: "The task of the party, government, and VFF is to push the emulation movement to a new height and a new breadth" and "we must put the movement to promote production and thrift in the very center of the patriotic emulation movement."

Looking back at the emulation movement within the VFF system in 1985, we find that the VFF has made new progress in its work, which was different from that in 1984. The VFF echelons knew how to closely link the patriotic emulation movement in their locality with the VFF work so as to accelerate its activities. The country as a whole had 30 provinces and municipalities where there was an emulation movement. On the basis of the six goals set for the emulation under the guidance of the VFF Central Committee Secretariat, relying on the characteristics and actual conditions of their localities, some VFF echelons materialized the emulation goals and decided about a rational point-bracket system, such as stressing the organization and activities of the basic-level VFF chapters, building a network for VFF work in residential areas, properly organizing the election of people's councils, building the administration, creating funds for the elderly and the army's work in the rear area, motivating the ethnic minority people in favor of settled farming and settled life, and urging religious followers to step up production, to practice thrift, to build the new way of living, to take part in resolving the FULRO issue or joining the border defense line, to plant trees, and to develop the family-based economy. Drawing experiences from the socialist patriotic emulation movements in Hanoi, Haiphong, and Ho Chi Minh City in 1984, and on the basis of Circular 19 of the VFF Central Committee Secretariat, some localities organized advanced training for the cadres in charge of emulation

work, organized periods of lateral control, confirmed what had been achieved and what had remained unfinished, looked for the reasons that had led to progressive models, informed one another of the results obtained, or set dates of meeting to review the emulating effort. The VFF standing committees of the Municipalities of Hanoi, Haiphong, and Ho Chi Minh City and three Central Highland provinces organized meetings to review the 1985 emulation movement. Hanoi, with its great determination to move forward, was recognized as the leading unit in the emulation movement among the three municipalities; and Gia Lai-Cong Tum, after having learned from much of Dac Lac's experience, succeeded in making many good changes and thus won the leading banner among the three Central Highland provinces.

It is obvious that as the result of emulation, the movement has made new steps forward. In order to develop the role of emulation as a lever for the VFF work, we must achieve the following socialist emulation goals in 1986:

1. Build the administration; develop the collective ownership right of the working people in villages and subwards in electoral work, in obeying the law, and in setting up a work-relations system between VFF committees and people's councils and committees; and carry out step by step the slogan, "The people know, discuss, do things, and control."

2. Mobilize people for carrying on the movements in favor of production and thrift by doing things like planting trees in groups or by individuals, developing the family-based economy, putting money into savings accounts, expanding the funds for the elderly, and buying public bonds, and at the same time care about improving the standard of living in residential areas.

3. Carry on the socialist transformation in agriculture, as well as in the privately-operated industry and commerce; take part in market management; and assist the state in getting hold of the sources of goods and cash and fighting speculators, hoarders, and smugglers.

4. Take part in building the new culture and the new socialist man. As an immediate job to do, fight superstition, organize funerals and weddings in accordance with the new way of living, take part in the education and transformation of people living on superstition, and mobilize people for joining the movement to clean up and beautify municipalities and residential areas.

5. Mobilize people for doing security and national defense work, such as recruiting; setting up aid-to-the-front funds; implementing the policies affecting the families of troops, wounded soldiers, and dead heroes and the families that have done good work for the revolution; and giving jobs to the combatants who have completed their military obligation.

6. Consolidate the organization and activities of village and subward VFF committees. First of all, popularize and carry out Directive 64 and Resolution 55 of the VFF Secretariat among the subward committees. Extend the work of village and subward VFF committees to neighborhood teams, people's



teams, and families. Pay special attention to providing basic-level VFF cadres with advanced professional training.

As for the basic-level VFF committees in the highlands particularly, pay attention to their participating in resolving the FULRO issue and educating the people who have gone astray and have returned, encouraging people to go for settled farming and settled life, developing the garden-based economy, and implementing the policy of national solidarity and solidarity between ethnic Vietnamese and highland minorities.

The basic-level VFF committees must further consider unified action among their own member organizations and administration organs, directly work with the people among whom work is distributed, and so on.

As to the higher VFF echelons, they must consider how effective the task of improving leadership and guidance over the basic-level committees has been so as to evaluate the results of emulation movements.

Our wish is that the emulation movements will realistically affect all organizing activities and work of the VFF echelons, particularly the basic level. Council of Ministers Chairman Pham Van Dong has said: "In the overall picture of our socialist construction, we see all the dark areas and at the same time the brilliant beauty, and most important, the source of light shining from the party line, the socialist system, and the people's revolutionary enthusiasm and qualities. Displaying light in order to dissipate darkness, let us show our positive attitude and work, push away and abolish the negative and wrong aspects, and move the revolutionary undertaking forward." (Footnote 1) (Excerpt from a speech by Council of Ministers Chairman Pham Van Dong at the Second VFF Congress)

The light that comes from Resolutions 6, 7, 8, and 9 of the CPV Central Committee is guiding us as we carry on the emulation work in 1986. This is also the lever of the VFF work.

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CSO: 4209/465

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

FULL ACTION URGED TO RESOLVE PEOPLE'S COMPLAINTS

Hanoi DAI DOAN KET in Vietnamese 17 Mar 86 p 11

[Article by Le Hai: "Responsibilities Toward the People"]

[Text] The Fourth Party Congress has issued a resolution that clearly states: "All state organs everywhere, from central to local, must respond in time and fully to all the matters brought up by the people." In our Constitution, Article 73 points out: "Citizens have the right to complain and denounce any state organ about any illegal acts on the part of a state organ, social organization, people's armed unit, or any individual belonging to this organ, organization, and unit."

To implement the party resolution and Article 73 of the Constitution, on 3 December 1981, the Council of Ministers issued a regulation on considering and resolving citizens' complaints and denunciations. The right of citizens to complain and denounce and the responsibility and authority of organ and unit chiefs for considering and resolving such complaints and denunciations have thus been determined by the law. It is obvious that our party and state consider the act of considering and resolving citizens' complaints and denunciations the obligation and responsibility of state organs, for they do not want any person to be treated wrongly or to suffer any losses in connection with his legitimate interests.

In the last several years, we made a lot of effort to resolve complaints and obtained some noteworthy results. However, generally speaking there still were many shortcomings. These shortcomings have brought about regrettable consequences. The fact that the violations of the people's basic democratic rights in some localities and at times were taking place on a broad scale and lasting for a long time has adversely affected the standard of living and the people's confidence, which used to be very profound, in the party and state. The fact that those who had wrongly implemented our policies were not dealt with in an appropriate manner has made the state law less strict and just and has adversely affected a number of cadres and civil servants in different sectors and at different levels.

On the basis of such actual phenomena, some of our leading cadres have said: "For a ruling party there are two dangers to watch out: one, a mistake having to do with party line and policies; two, cadres in power abusing it and acting

arrogantly toward the people. With the concept of socialist collective ownership, the fact that the people exercise their right to make complaints and denunciations helps to prevent such dangers. Resolving complaints and denunciations of citizens has an extremely great political significance. Whether the people trust you or not and finally their quality and enthusiasm will show--all this we can further promote only if we are concerned about resolving them."

Recently, mostly after the regulation on considering and resolving citizens' complaints and denunciations was issued, the efforts to resolve them and the people's motions at different levels and in different sectors have been greatly strengthened. Some localities, ministries, and sectors definitely resolved the many petitions and letters that had piled up for a long time and have been supervising and leading the efforts to resolve the new ones. Many provincial, municipal, ward, and district party committee secretaries and chairmen, and a number of ministers and organ and unit chiefs met with the cadres and people who came to make complaints and denunciations and considered the latter by themselves; as a result, the masses have welcomed the prompt and neat resolving of a number of petitions and letters.

A system adopted by some sectors and almost all provinces calling for periodical reception of the people by unit chiefs, National Assembly deputies, and members of people's committees has brought about realistic effects and has become a routine activity. However, the activities of unit chiefs in such reception are usually just a formality; experience must be drawn from them so as to strongly develop the role and influence of those who represent the people in resolving the matters the people have brought up, and at the same time to be widely learned by other localities. Some localities where the population includes ethnic minority groups have stressed mobility by organizing reception at market places or assigning working groups the task of going to villages to meet the people and to resolve their complaints on the spot and within the limits of what they are authorized to do. Some sectors, localities, party committee echelons, and administrations have used the staff role of inspection organizations in such activities as seeing the people, dealing with petitions, considering petitions, and coordinating their work with other responsible organs to resolve complaints. More noteworthy are the localities that have a wide network of people's inspection, for they have quite effectively used the latter to consider and resolve many complaints and denunciations at the basic level. But most village and subward party committees and people's committees have assigned their workers' inspection committees the task of seeing the people on a regular basis, dealing with petitions, considering and resolving petitions; everyday the people's inspection cadres would be present in the office of village and subward people's committees, but these cadres would not be entitled to allowances. These are shortcomings that need to be overcome.

However, generally speaking, the results obtained from resolving petitions and letters of complaint and denunciation were not great enough, with quality being not so good and without any guarantee as to the responsibility, authority, and time involved in the resolving efforts.

There have been cases of avoiding responsibility, considering complaints in a cursory manner, and even committing reprisals against people because of their complaints and denunciations taking place here and there. Many organ and unit chiefs totally assign the task of seeing people, dealing with and resolving petitions of complaint and denunciation to inspection organs or just a few cadres. These moves are against the views and thinking of the party and the regulation of the state. This is the reason why many such petitions and letters remain unanswered, there still are many petitions and letters being sent to the higher echelons and bypassing the immediate ones, and the accuracy of the conclusions made and effectiveness of the measures taken are limited, with even correct conclusions being ignored in some cases.

There are many reasons behind this state of stagnancy, but the important and principal fact remains the failure on the part of many sector, level, organ, and unit leaders to clearly see their responsibilities and the obligation and usefulness involved in answering the questions asked by the people.

In order to properly carry out the task of considering and resolving complaints and denunciations organ and unit chiefs must recognize the degree of accuracy and motivation behind the matters raised by the masses. Although the contents of their complaints and denunciations are different, they all reflect their trust in the clearheadedness of the party and state and the expectation that such matters will be resolved in a fair and just manner. Therefore, consider seriously the matters the people have raised and make very conclusions from them. If the complaints and denunciations are true, the organizations or individuals that have been wrong, no matter what position they may be in, must correct themselves--and this without any exception. If the contents are untrue, explain so that the masses would understand. As to the bad elements who take advantage of the right to make complaint to distort the truth and to harm the prestige of the state organs and cadres concerned, take severe punitive action against them in accordance with the regulation.

Carry out on a regular and orderly basis joint reviews by different echelons and sectors of all petitions and classify the latter to find the reasons that have led to complaints and denunciations, and do this as the only way to have correct guidelines and measures for resolving them. For instance, complaints and denunciations can be classified in such categories as administrative control, deliberate confiscation of properties, arbitrary and prolonged arrests and detention, and so on; or petitions are focused on borrowing people's houses to use as organ headquarters or production and business installations for decades without returning them and now letting cadres and civil servants occupy them, confiscating money and properties of those people being wrongly classified as members of the bourgeoisie within the process of transforming capitalist and private industry and commerce, and so on.

Strictly adhere to the procedures required of organ and unit chiefs of seeing the people on a periodic basis and mutually checking the responsibilities of chiefs of superior and lower levels while implementing the 34 articles in the regulation. Chiefs are responsible for doing this work by themselves and including it in their monthly and quarterly work schedules. This work cannot be neglected nor freely assigned to any organizations, units, or cadres even



though they are of deputy level. On the other hand, chiefs in all sectors and at all levels must be concerned with perfecting the organization and training of cadres and creating favorable conditions for organs and cadres to fulfill their staff functions and to assist them in considering and resolving citizens' complaints and denunciations. Strengthen the regular and close coordination of activities among state inspection organs, party control committees, and other responsible organs of the party and state in order to further accelerate this work. Discover in time the localities that have been doing good work so as to take them as good examples and to popularize their experience. At the same time, frankly name the localities and chiefs who have shown irresponsible attitude, underestimated the masses' ideas, or violated the regulation in some way in order to make corrections or to take appropriate measures to deal with them in a fair and just manner.

In order to respond to the masses' demand--"answer in time, fully, and seriously the questions raised by the people"--no single organ in charge can do the job by itself. It can be properly resolved only when all echelons, sectors, and organs, mostly the basic-level units, stress their responsibility and obligation toward the masses.

Promptly and carefully resolving complaints and denunciations will create favorable conditions to step up the mass emulation movement to fulfill the state plan, to build a way of living and working based on the Constitution and law, to contribute to fighting the negative aspects, and to make party cadres and state civil servants really become the people's loyal servants.

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PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

VIETNAM DEMOCRATIC PARTY REVIEWS PAST WORK, SETS 1986 TASKS

Hanoi DOC LAP in Vietnamese 19 Mar 86 p 2

[Article by Vu The Truong: "Plenum of the Vietnam Democratic Party Central Committee Stipulates 1986 Work Guidelines"]

[Text] The Central Committee of the Vietnam Democratic Party held its plenum from 24 February to 3 March 1986 in order to review the work done in 1985 and set work guidelines for 1986. The plenum set aside much time for studying the resolution of the 9th Plenum of the CPV Central Committee.

Nghiem Xuan Yem, the secretary general of the Party Central Committee, and Tran Dang Khoa, the deputy secretary general, presided at the plenum.

The plenum enthusiastically welcomed Le Quang Dao, the secretary of the CPV Central Committee, and Bui San, a member of the Party Central Committee and the secretary of the Central Front Party Group, who attended the plenum and spoke about the situation and revolutionary tasks in general and the Front's present situation and tasks.

Under the light of the resolutions of the 8th and 9th plenums of the CPV Central Committee, the plenum issued a unanimous opinion on the present economic and social situation and clearly recognized the successes and achievements and the difficulties and weaknesses in socialist construction and transformation in our country. The plenum was particularly happy about the spirit of criticism and self-criticism of the party's and state's control organizations concerning the shortcomings in implementing the resolution of the 8th Plenum of the Party Central Committee and Resolution 28 of the Political Bureau. The plenum was in total agreement with the positive and resolute measures that the Political Bureau, Secretariat of the CPV Central Committee and Standing Committee of the Council of Ministers have put forth in order to overcome the difficulties, restore the country's economic-social situation and have the situation develop well. The plenum of the Vietnam Democratic Party Central Committee stated that the Vietnam Democratic Party cadres and party members have great confidence in the leadership of the CPV led by secretary general Le Duan. The Vietnam Democratic Party is in complete agreement with the socialist economic construction line of the CPV. Mobilizing the entire party to implement the resolutions of the 8th and 9th plenums of CPV Central Committee, with great confidence, the Vietnam Democratic Party



will mobilize the entire party to carry out the revolutionary tasks put forth at the congress.

The plenum of the Vietnam Democratic Party Central Committee enthusiastically welcomed the 27th Congress of the Communist Party of the Soviet Union, a congress of great historical significance that has opened a new period of development in the Soviet Union and a congress of peace and lofty international solidarity. Once again, the Central Committee of the Vietnam Democratic Party fully supports the peace initiatives of the Soviet Union, particularly the important declaration made by Secretary General M. Gorbachev on 15 January 1986, the aim of which is to prevent a nuclear war and save human civilization.

As for Democratic Party activities in 1985, the plenum of the VDP Central Committee reviewed, analyzed and evaluated the advances made in carrying out the tasks and mentioned the weaknesses and shortcomings that must be overcome.

Comparing things with the VDP Central Committee's resolutions of September 1984 and April 1985, the plenum acknowledged that in 1985 the entire party made new efforts and scored results in carrying out the political tasks and the other tasks of the VDP. The most striking thing was that the municipal and city party committees and the units directly subordinate promoted political and ideological education, solidified organization, launched emulation movements and strengthened the activity formulas, particularly the activities at the primary level. Because of this, the party committee echelons made new changes and constantly manifested the effect of an active element of the Vietnam Fatherland Front.

After a year of difficulties and challenges, the cadres and party members are striving to implement the formulas even better, strengthen training and make contributions. In general, the comrades have a correct political attitude. They have confidence in the leadership of the party and are in the vanguard in implementing the positions and policies. They are enthusiastically participating in cultural and social activities, opposing superstition, guiding the family economy in the right direction, participating in educating and looking after the youths and children, building civilized life and solidarity in the streets and participating in the struggle against negative phenomena in economic and social life.

The plenum also analyzed and pointed out shortcomings and weaknesses in the party's work last year and put forth active measures in order to exploit the strengths and overcome the weaknesses.

The plenum of the Central Committee thoroughly reviewed the resolution of February 1986 on the VDP's 1986 guidelines and tasks. The plenum called on the entire party to manifest the party's traditions in 40 years of revolutionary activity and, together with all the people, emulate to fulfill the 1986 state plan and score achievements to welcome the 6th CPV Congress.

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ECONOMIC, PLANNING, TRADE, AND FINANCE

VIETNAM

ARTICLE EXAMINES SOLUTIONS TO LABOR SURPLUS

Hanoi NHAN DAN in Vietnamese 30 Jan 86 p.2

["Economic Forum" Article by Le Cuong, Vietnam Confederation of Trade Unions:  
"On Labor Surplus"]

[Text] Implementing the resolution of the Eighth Plenum of the Central Committee, the various state-operated enterprises are step-by-step reorganizing their production and reassigning their laboring personnel, yielding a relatively large labor surplus. Initial estimates have given about 40,000 laborers as the surplus in various state-operated branches of the economy, which breaks down as follows: Those who are no longer able-bodied or with poor skills, unable to guarantee performance in a position in the main production chain; those who have to be relieved because the production conditions are lacking, thus reducing the scale of production; those who are left out after reassignment of jobs because the former production setup was cumbersome and irrational; progressively readjusted laboring norms also yield a labor surplus; the proportion of middlemen in the various enterprises was too high and the intermediary links too numerous, which had to be reduced; finally, some people have become idle or violated labor discipline. How can we take care of this labor surplus in the spirit of guaranteeing them some income-earning work, so that they can produce goods for society?

We believe that there are two issues that need attention:

1. We cannot let the surplus labor go unattended, without a job; especially, we cannot arbitrarily force our laborers and government workers to quit their jobs as long as they are still able-bodied and have not violated any labor discipline.
2. We should, to the extent possible, limit the transfer of technical and skilled personnel who have undergone training into unskilled positions.

How can we then satisfactorily solve these two questions?

Some localities have used their labor surplus in the following manner, which we would like to describe so that we have them in our frame of reference:

1. The various units and enterprises themselves solve their labor surplus by creating new, secondary production branches and occupations within the enterprise of organizing service links to serve the rest of the enterprise. This measure has been put into relatively wide application in the various branches, localities and units, and it has yielded good results. For instance, the assembly bloc of the construction sector, after initial reorganization of its production and review of its norms, found out that it had a labor surplus of 14,000. The various units actively engaged in producing construction materials, such as the moulding of unbaked bricks, the production of floor and roof tiles, the crushing of limestone, etc. And because production is organized well, productivity is high, in addition to the advantage of thus having supplies produced on the spot, which brings down the final cost of the whole project. The Haiphong plastic enterprise organized its labor surplus to create new products using the odds and ends coming from the main products, which has yielded good results and helped to improve the living standards of the workers and government employees. In the state farms, the labor surplus was helped to go into animal husbandry, such as the raising of pigs and cows, which brought good results.

2. Labor readjustment in the whole sector, region, and over the entire national territory. In the process of reorganizing production and labor reassignment, together with the discovery of a surplus, it sometimes turns out that in this or that locality they need one specific type of skills or another. Through their own connections the various units in the sector or in the locality can move the surplus workers from one area or another where there is a deficiency. On the other hand, one can also move workers and government employees from some areas to others where there is the need for them, especially in remote areas. This move, of course, must be solved and accompanied by a series of other measures, such as the regime that is to be applied in the case of those who move from one area to another, housing for newcomers at the new locality as well as other social conditions, such as jobs for the dependents, schooling for the children, and medical care. Our experience in the last few years has proved that we have not solved this type of question satisfactorily, thus creating a great deal of difficulty for those who agree to move to other areas and discouraging those who might think of moving.

3. Retraining for those skilled workers who are in the wrong trade. In the process of reorganization of production, many people may have to be moved into different lines of work because of the new requirements, in which case they should be retrained. This is not a small number, which means that this is a real problem. Even in the case of developed countries, the recycling of skilled labor has become a permanent requirement. In our country, the retraining of some people in new skills is only an obvious requirement. Each sector, each locality should have plans and also invest appropriately in this work. It is our belief that if this were done well, it would immediately attract many workers and in the long run it would provide the field of industrial production a sizeable body of technical workers.

4. Send back into agriculture the newly recruited laborers, the unskilled types. Not a few units in recent years have recruited laborers who up to now still have not undergone training and who, therefore, have to be assigned to the most common unskilled work, which is not only unnecessary but also yields little economic efficiency. There are even cases where these people have not been put on the official roll of personnel. We believe that these people should be sent back to the agricultural sector after some reasonable measures have been taken in their cases.

5. Move back into production those laborers found the in the intermediary stage in the enterprise themselves, especially those found in middle-man-types of components.

One must stress also that to be effective in many sectors and units, the rational reassignment of labor must be done in each production cell or team, which will then identify the surplus labor, that this cannot be simply left to the financial section in charge of salaries. To raise the issue and submit it to discussion in each component and let the latter arrive at its own reassignments is the best approach. The masses will discuss and give the opinion as to who should stay in the production chain and who should become surplus. This has proved to be very successful in many units.

On the other hand, in regard to byproducts, the state norms in the plan need to be redefined in the direction of encouraging their production. The plan for these byproducts must be entirely determined by the enterprises themselves. Higher echelon management organs should only specify the percentage of profit that goes to the enterprises and help the latter in terms of capital or to acquire equipment, provide them with raw materials and construction materials to the extent possible; for the rest, the enterprise must take care of themselves.

Above we have presented some of our thoughts, which we have raised so as to contribute to helping solve the labor surplus question in the sense that this is not simply an economic issue but that it represents also a sociopolitical issue as well.

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3 June 1986

## ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

## FOOD INDUSTRY BUILDS NEW PRODUCTION PLAN

Hanoi NHAN DAN in Vietnamese 31 Jan 86 p 1

[Article: "The Food Industry Builds Its New Production Blueprint"]

[Text] As we step into 1986, the Ministry of Food Industries instructed the various units to review their economic efficiency in the last few years and to build the new production blueprint in accordance with the resolution of the Ninth Plenum. The units are resetting reasonable labor standards for each kind of work and in each kind of product in the production chain, including the production of raw materials and food processing. The various units recatergorize the labor force in accordance with the technical requirements of the equipment and with the industrial processes involved. People who have not been trained or who have little skill are removed from the main production chain and reassigned to more appropriate tasks. The whole sector advocates the regulation of labor among the various enterprises in the industry and the limitation of new recruits into the government personnel roll.

This year, the food industries have seen a reduction of 15 to 20 percent in the labor force, mostly middlemen, so that this category now accounts only for about 8 percent of the labor force in the sector. They have rearranged the management machinery from the ministry down to the combined enterprises, the comprehensive ones, the general corporations, and the corporations themselves in the direction of reduction of middlemen so as to lighten the management machinery making it more compact, lightweight, and efficient.

To bring down the final cost of products, the various units are eliminating negative and irrational factors, accurately determining the existing economic and technical standards, and building new and progressive standards while managing construction and raw materials well, especially those that have to be imported from abroad.

As the state is not in a position to balance the import of raw and construction materials with its foreign currency capabilities, the sector seeks to enlarge the active role of various units in allowing them to combine with one another so as to find their own balance. Several industries, such as the tea, vegetable, oil, and cigarette industries are allowed by the state to enlarge their cooperative schemes with other socialist countries, especially with the Soviet Union, so as to create more sources of capital and materials;

they can borrow foreign exchange from foreign businesses in order to import more materials and equipment as needed; they can also combine among themselves within the sector in such areas as milk, coffee, wine, beer, cigarettes, vegetable oil, monosodium glutamate, as well as with the various localities, the marine product industry, with the tourist, air travel, and shipping industries, etc. so as to create more sources of raw agricultural materials and foreign exchange.

The initial efficacy of this expansion of business connections and mutually balancing combined operations has shown in the fact that the sector as a whole in the last year has significantly improved its production in regard to many important commodities as compared to 1980: vegetable oil increased by 231.25 percent, cigarettes by 155.05 percent, sugarcane by 93.8 percent, canned food by 88.18 percent, and liquor, condensed milk, tea, and beer have all increased by 22.7 to 38.6 percent. The whole sector has fulfilled well the two norms of 340,000 tons of sugar and 1 billion cigarette packs set forth by the Fifth Party Congress in the projections for 1985.

In 1986, in competing to chalk up achievements in celebration of the Sixth Party Congress, the various production units in the sector will strive to raise total production value by an average 18 percent, with the amount of export increasing by 51 percent as compared to 1985, final cost and circulation fees reduced by 15 percent, and accumulated capital for the state increasing by 39 percent.

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ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

MEASURES VIEWED TO AID SMALL INDUSTRY, HANDICRAFTS AUTONOMY

Hanoi TIEU CONG NGHIEP THU CONG NGHIEP in Vietnamese 7 Mar 86 pp 5, 2

[Article by the management board of the Municipal Small Industry and Handicrafts Federation: "A Number of Motions by the Ho Chi Minh City Small Industry and Handicrafts Sector on Policies and Measures Aimed at Promoting Autonomy in Production and Business"]

[Text] Implementing the resolutions of the 6th, 7th and 8th Plenums of the CPV Central Committee, the Ho Chi Minh City Small Industry and Handicrafts sector has implemented many dynamic and creative measures in order to maintain and expand production. It has scored notable achievements and led the entire country in the value of gross production. But in the implementation process, a number of the state's procedures and policies are not in accord with the real situation in the localities. Thus, the sector recently made a number of motions on the policies and measures with the aim of promoting autonomy in production and business. We are printing an excerpt from this report so that readers can study the matter. We wrote the title.

From production practices, we can see the special characteristics of the municipal small industry and handicrafts sector more clearly and evaluate its position and role correctly in order to formulate suitable policies and measures and exploit the production potential. The following are a number of motions aimed at promoting the autonomy of the small industry and handicrafts production installations in production and business.

1. Improving and reorganizing production:

Production in the small industry and handicrafts sector must be reorganized, and management must be unified based on the economic-technical sectors. However, autonomy in business must be ensured, and the creative dynamism of the production installations must be exploited. Sector management must start from the economic and technical measures. There should not be simple administrative policies, restrictive measures or machinery that could limit production. There must be equality in economic relations between the leading state enterprises and the small industry and handicrafts installations.

Actually, the products of the state enterprises can be used to supply the small industry and handicrafts installations and vice versa. Thus, a small industry and handicrafts installation should not be restricted to just one economic-technical sector. Rather, it should be allowed to deal with many centers depending on the technical regulations of each production installation. The central echelon must quickly issue uniform sector control regulations on a national scale.

In order to improve and reorganize production well and create the conditions necessary for the economic elements to expand within the socialist orbit, the state must promptly promulgate various policies, such as a policy on collective economic units, a policy on individual and family economic units and a policy on theatrical units.

## 2. Expanding small industry and handicrafts production:

The small industry and handicrafts plans were formulated from the primary level and are divided into two parts:

Direct plans: the economic units for which the state controls the sources of materials, market requirements and contract ordering of goods for the small industry and handicrafts production installations. In recent years, the state's ability to supply materials has been limited. Because of this, the production installations have had to seek customers on their own and balance materials using indirect planning formulas.

Indirect plans: forms of coordination between planning and market use. The production installations have actively obtained materials from places where the state does not purchase items or through the export-import route or economic connections. This formula accounts for approximately 70 percent of the value of gross production. Thanks to this, the socialist collective economy has provided direct and timely support to the state economy and contributed to providing a notable amount of goods for the organized markets.

By carrying on planning in the artisan industry and handicrafts sector, besides completing various tasks, a number of shortcomings have been exposed:

Direct plans: The planned norms are not in accord with the capabilities of the production installations. The sources of materials controlled by the state based on the plans have not been balanced well.

Indirect plans: The task of actively seeking materials has not been stabilized. This is still subject to administrative procedures and must pass through many mid-level echelons. For example, a cooperative that purchases materials must request an introduction from the ward or district materials corporation. If permission is not obtained directly, it must communicate with the central materials supply agency. It dare not obtain materials on its own at the markets. In short, in balancing materials for the indirect plans, there are still certain restrictions. Thus, product production costs have risen because of irrational expenses.

**Product distribution:** The small industry and handicrafts cooperatives are not really in close contact with the consumer markets either here or abroad. The small industry and handicrafts sector produces large quantities of goods of various types to support the zones as well as the city. At the same time, it contributes to creating sources of export goods. But the product distribution mechanism has limited expanding production in keeping with market requirements. For example, there is the phenomenon of commercial subsidies (although in reality, commerce does not have the capabilities to provide subsidies). In selling small industry and handicrafts products to the central echelon, provinces and other cities, the Commercial Service must give an introduction, and this must be approved by the council.

The formulas for purchasing raw materials and selling finished products are progressive. But in actual practice, the small industry and handicrafts production installations still prefer the contract ordering of goods form because of the lack of uniform tax and price policies.

In order to overcome these difficulties, the following measures must be implemented: the planned norms given to the small industry and handicrafts sector must be divided into two parts. For direct plans, they must be given based on small industry and handicrafts capabilities and the balanced materials of the state. When norms are given, the necessary material conditions must be provided in order to fulfill the plans. The indirect plans are more revealing. For products that exceed the delivery plans, the state must implement support policies, such as balancing electricity based on the norms, reducing the income tax (on products that exceed the plans) and providing help with other material conditions.

The business formulas, including switching from doing work on contract to purchasing raw materials and selling finished products, must be improved. There must be specific policies, such as tax and price policies, to allow the small and handicrafts production installations to sign contracts with the consumer organizations directly without having to go through intermediary commercial organizations.

**Supplying materials:** Materials must be supplied to the production installations directly (for both plans). It is not necessary to go through many administrative procedures or through intermediaries. The ward, district and municipal federations can be responsible for monitoring things and ensuring that the materials that are supplied correspond to the products delivered to the state. The next step is to commercialize long- and short-term materials so that the production installations can be more independent in balancing the plans.

To stabilize production, the federations must have a financial fund. This must be done by establishing a small industry and handicrafts credit cooperative. There must be a foreign currency fund through the Small Industry and Handicrafts Export-Import Corporation and a commodity and raw materials fund through the materials corporations of the city and sector federations. There must be a system of federation stores using various formulas such as establishing raw materials zones and tying the economy to the provinces and cities and to Laos and Cambodia. The installations that produce export goods

must be allowed to use suitable amounts of foreign currency to carry on expanded reproduction and stay in close contact with foreign markets.

The municipal federation must be allowed to establish production enterprises with sector capital and loan money (there is no need for state budget investments) in order to strengthen production capabilities and improve product quality.

### 3. Other positions and policies:

The small industry and handicrafts sector is quickly affected by the following related positions and policies:

Economic plan investments and equipment for the small industry and handicrafts production installations: During the past period, making investments and upgrading the machinery in order to increase productivity and improve quality and economic results have not been given attention in order to build a modern small industry model and produce many more types of goods of high quality to support domestic consumer needs and exports. This is a requirement, condition and factor for improving and reorganizing small industry and handicrafts production.

Because of this, along with giving planned norms, the economic and technical sectors must have investment plans to equip the small industry and handicrafts installations. Also, through exports-imports, the municipal federation can import equipment and parts independently, particularly small but modern production chains.

Prices: In order to calculate product production costs satisfactorily, the state must soon unify guidance in evaluating fixed assets and suitable levels of depreciation concerning the small industry and handicrafts production installations and provide guarantees after the depreciation period. The small industry and handicrafts installations can purchase other fixed assets to replace the old fixed assets using money from their capital depreciation fund.

The small industry and handicrafts cooperatives must be allowed to calculate enterprise wholesale prices like the state enterprises. As for products whose prices are stipulated by the state, prices must be approved quickly (specific periods must be stipulated). Otherwise, if this is prolonged, prices will become out of date, and this will have an effect on implementing the economic contracts. The small industry and handicrafts production installations will sign only short-term contracts of little value. They will not be bold or take the initiative in production and business.

As for products whose prices are not set by the state (there must be a list of specific prices), the production installations and consumer organizations can reach an agreement on the buying and selling prices based on the principle of sell goods if someone can buy.



**Banking, credit and currency:**

In order to be able to invest intensively for the production installations, the city must have an industry, small industry and handicrafts bank. Also, the municipal federation must be allowed to establish a small industry and handicrafts credit cooperative with capital from sector expenditures, unused collective economy funds and social insurance funds. Also, the spare capital of the cooperative and section members and manual laborers can be mobilized in order to help the industry, small industry and handicrafts bank invest in production.

As for the high-level cooperatives, the state bank must quickly approve loans for rational capital requirements and charge the same interest rate as for loans made to state enterprises. The state bank must reach an agreement with the small industry and handicrafts production installations on setting cash fund norms in accord with reality.

In order to stimulate the collective economy, the finance sector must promptly supplement the personal exemption of the state workers in the same sector and add the approved allowances to their salaries.

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ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

REGULATIONS ON MATERIAL MANAGEMENT, SUPPLY PROMULGATED

Hanoi TAP CHI KE HOACH HOA in Vietnamese Sep 85 pp 30-33

[Unattributed article: "New Regulations on Material Management, Trade, and Supply;" passages within slantlines in italics]

[Text] In pursuance of the party and state policy on updating material management, trade, and supply, the Council of Ministers has issued Decree No 189-HDBT of 27 June 1985 /to improve the management of materials/.

In execution of the resolution of the Eighth Plenum of the party Central Committee, the supply of materials must be effected by abolishing the management mechanism based on bureaucratic centralism and state subsidies, by completely shifting to the economic accounting and socialist business system, and by ensuring satisfactory performance of the socioeconomic tasks indicated in the state plan.

After the /first chapter/ on general principles, the decree states specific provisions on material management, trade, and supply /(second chapter)/, on the economic-financial system and the building of material-technical bases for business units which supply materials /(third chapter)/, on the network in charge of organizing material trade and supply and on the state management of materials /(fourth chapter)/, and on the organization of task execution /(fifth chapter)/.

I. Material Management, Trade, and Supply

In general, our country's economy is still based on small-scale production, the socialization level is still low concerning ownership relations, production forces, and economic organization; and technical materials—especially the principal ones—still depend on import sources and do not yet fully meet the requirements of domestic production. Moreover, because they are a special kind of goods and constitute state property, technical materials /must be subject to centralized and uniform management according to the state plan/ and be dealt with only by authorized supply organizations of the state. Generally speaking, it is forbidden to freely exchange, buy, and sell these types of materials in the market.

1. Material Management Within the Country--It is necessary to intensively exploit sources of materials that can be produced domestically in order to gradually replace imports.

--/It is necessary to give vigorous incentive to material production installations/ and to pay attention to producing on an appropriate scale all types of minerals, metals, basic chemicals, equipment, spare parts, and building materials. With regard to installations producing important materials, such as energy and transportation equipment, the state will provide essential material conditions for them on a priority basis and apply an incentive policy on use of capital which will enable them to make a greater profit than installations producing consumer goods. In the 1986-1990 5-year plan, it is necessary to plan to develop the production of materials and to formulate and implement programs to produce a number of important materials to replace imports.

--/All sources of secondary and discarded materials must be fully used/. It is necessary to tightly control all kinds of secondary and discarded materials--such as automobile tires, discarded oil, batteries, and packing bags--when new materials are supplied, it is necessary to retrieve the old ones and liquidate them according to their remaining use value. The criteria for retrieving these materials must be clearly defined by the State Planning Commission in the plan for yearly material distribution to production and business installations.

The ministries in charge of production and business and all localities have the duty to organize the retrieval and reuse of important secondary and discarded materials according to the state plan.

Production and business installations are forbidden to turn principal supplies and raw materials into secondary and discarded ones just for the purpose of illegally increasing their income.

--/All types of materials which had remained stagnant/ (including complete sets of equipment) prior to 31 December 1984 must be dealt with according to Directive No 316-Ttg of 19 September 1979 of the Council of Ministers (amendments and supplemental regulations will be promulgated according to the new situation).

Materials and equipment whose owners and managers cannot be clearly determined must be handed over to the Ministry of Supply which will plan their rational use.

As of 1 January 1985, production installations and supply organizations which allow supplies, raw materials, equipment, and spare parts to stagnate beyond the fixed norms (excluding some kinds whose stagnation is authorized by the Ministry of Finance) must borrow capital from the bank with progressive interest.

## 2. Administering the Importation of Materials

The importation of materials must comply with state regulations on imports. The Council of Ministers will issue a list of materials that may be imported (by various zones) and of materials and equipment whose importation is forbidden, and will also promulgate regulations on the assignment of tasks and the organization of material importation

--Only the importation of materials that cannot yet be produced domestically or sufficiently will be authorized. Materials used to make products essential to the national economy will be imported on a priority basis. Priority will also be given to the importation of materials from the socialist camp while importation from the capitalist camp will be effected only if truly necessary.

--At the central level, the importation of materials according to the state plan will be organized as follows:

--Concerning materials of ordinary use--such as gasoline, oil, metals, chemicals, separate equipment, spare parts, electrical materials, and mechanical tools--general corporations subordinate to the Ministry of Supply and in charge of supplying specific categories of goods and general corporations subordinate to the Ministry of Foreign Trade will be entrusted with negotiating and signing important contracts with foreign countries and organizing the reception and supply of goods according to the state plan.

--Concerning all types of materials of special use for various sectors--such as equipment and spare parts for the mining, railroad, sea shipping, fishing, and public health sectors, and cotton, fibers, equipment, and spare parts for the textile sectors--corporations dealing in materials of special use and subordinate to the sectors concerned will place import orders through the medium of general corporations of the Ministry of Foreign Trade or will import by themselves if authorized by the state.

--Apart from the materials imported according to the state plan and by the central level as described above, the various sectors, localities, and installations will be authorized to import a supplemental amount of essential materials, equipment, and spare parts by using the foreign currency in their possession but will have to comply with state regulations on material importation.

--Material supply organizations will be allowed to act as sale and warranty agencies for foreign companies but will have to closely coordinate with the general corporations of the Ministry of Foreign Trade.

## 3. Planning the Supply of Materials

The State Planning Commission will request the Council of Ministers to decide on the list of materials uniformly managed by the state and on the assignment of tasks, decentralization, and on proportional distribution of materials.

--Together with the production, consumption, and transportation plan--the material supply plan must be drawn up from the grassroots and local level on up; materials placed under the uniform management of the state must be summed up according to sectors and localities and apportioned when the state plan is formulated. The material supply plan must first ensure proportionate distribution for principal tasks, important products, and key enterprises and projects.

--The various sectors, localities, and installations must actively exploit the existing sources of materials through economic association and increased export in order to be able to import materials to rationalise the plan for economic and cultural development right at the beginning of each year.

--There must be a plan by the Council of Ministers to gradually create a material reserve in the production, circulation, and reserve stages in order to stabilize the supplying task and provide for emergencies.

--Beginning with 1986, it is necessary every year to settle accounts concerning the materials and goods entrusted by the state to various sectors and localities and to strike a balance between these materials and goods to the products delivered and sold to the state by these sectors and localities. The state will implement special policies to support those localities which experience difficulties in production.

--A certain quantity of ordinary materials--such as gasoline, oil, iron, steel, and cement--will be set aside for retail sale to the people.

#### 4. Material Circulation and Supply System

--State organizations which deal in materials will directly supply them to production and business organizations according to the ratified plan norms and signed contracts.

--The state supply of materials to the collective and household economic sectors in the fields of agriculture, fishing, forestry, small industry and handicrafts, and privately owned transportation will be effected through economic contracts and according to rational wastage norms and at the prices uniformly fixed by the state.

--The transfer of materials from surplus to deficient areas will be decided by a minister if the problem is within the scope of a ministry and by the chairman of the provincial or municipal people's committee if the problem is situated within a locality. Localities are not allowed to transfer materials belonging to centrally operated enterprises which are stationed in these localities; if it is necessary to transfer materials distributed by the central plan from one sector to another within a local territory, the agreement of the central agency which manages these sectors must be sought. If difficulties are too great and beyond the on-the-spot possibilities of transfer, general corporations or organizations which deal in and supply materials and specific branches of merchandise may be requested to effect the transfer and the expenses incurred must be agreed upon by both sides.



—Additional materials which are acquired by trading and supply organizations through their own efforts must also be included in the plan but must be accounted for separately. The repurchase and resale of these kinds of materials to make a profit and disrupt the market is prohibited.

—Both the material trading and supply organization and the consumer have the duty to try by all means to supply materials according to the quantity, quality, pattern, price, and time schedule and at the place agreed upon by both sides in their economic contract.

—It is necessary to strictly implement the system of economic contracts on purchase, importation, transportation, and supply of materials. Contracts must clearly stipulate the material responsibilities of each side and contain provisions on rewards and penalties. State economic arbitration commissions at all levels must intensively control the implementation of economic contracts and promptly deal with infringements.

—Material trading and supply organizations are allowed to expand their activities about contractual processing and to organize repair service for materials and equipment to further promote social production and commerce. These productive and repair activities will be accounted for separately and subjected to the same profit, reward, and income distribution system as that applied to auxiliary industrial production.

—It is necessary for material trading organizations to open shops, to expand their retail network or use marketing cooperatives to expand commercial activities and act as retail agencies for ordinary materials essential to production and the people's life, and also to purchase and supply secondary and discarded materials.

Shops must be opened to buy or sell in consignment at reasonable prices various types of materials brought home by workers, students, and cadres returning from abroad or sent home by overseas Vietnamese.

—Private individuals dealing in materials must be reformed continuously according to the state policy on transformation of private industry and trade. Private individuals must be excluded from the trade in important technical materials placed under uniform management by the state.

Ordinary materials produced or obtained by the collective and household economic sectors must be sold first to the state; these sectors may sell these materials of their own accord if state trading organizations do not buy them, but must strictly comply with state regulations on market management. Valuable and rare materials falling under the state uniform management must be sold only to state purchasing agencies and must not be circulated freely. Strict control must be exercised regarding material wastage norms applied to contractual production assigned by the state economic sector to the collective economic sector and to private individuals, and the accounts concerning these materials must be settled with each contract.



State agencies and state economic organizations are forbidden to illegally deal in materials.

Appropriate punishments will be meted out to thieves, underhand dealers, speculators, and smugglers of technical materials of all kinds.

## 5. Transportation of Materials

--Bulky materials--such as coal, timber, cement, iron, steel, gasoline, and oil--must be carried straight to major enterprises and key projects of the state.

--Materials used in agriculture--such as gasoline, oil, fertilizers, and insecticides--must be carried directly to district towns or the nearest communications centers.

Within their jurisdictions, units that own goods or transport means must organize well the protection and preservation of materials, equipment, and goods in warehouses and at railroad stations and harbors or along roads in order to prevent loss and deterioration. Owners of goods and transport means have the duty to fully implement transport contracts. Owners of transport means will be given material rewards if they ensure transportation in conformity with contracts; they will be held responsible for indemnification if they allow losses and deterioration to exceed the fixed norms; in serious cases, legal proceedings may be taken against them.

## 6. Use of Materials and Settlement of Accounts

--Materials must be used for the right purposes according to rational norms. Production installations which use materials economically will be rewarded according to the policy in force. It is necessary to reexamine the system of standards and norms for the use of materials, to add the necessary norms, and to correct the irrational ones. On the basis of rational norms, production and business sectors and units must draw up a plan to produce and supply materials and to settle accounts.

--The system of reports, statistics, and periodic inventory of materials and goods must be strictly applied.

--It is necessary to intensify the inspection of materials and to promptly deal with violations of the material distribution, transportation, supply, and use system.

--The system of striking a balance of materials in the national economy must be strictly implemented. Supply agencies will be allowed to temporarily suspend material supply to production units which fail to strike a balance in strict accordance with regulations.

## II. System of Management and Network of Material Trading and Supply Organizations

Organizations at all levels that deal in and supply materials must carry out activities according to the economic accounting and socialist business system.

1. System of State-Mandated Norms: This system will be applied to organizations dealing in and supplying materials and includes five types of norms: Total turnover (money received) from sale at planned prices, amount of principal goods sold according to the plan including those sold to key units according to economic contracts, rate of reduction in circulation expenses (percentage of set norms), profit and contribution to the budget, and materials distributed by the state for supply purposes.

## 2. Some Financial Systems

--The state will recalculate discounts for material circulation in conformity with the trading characteristics of each branch for goods so as to compensate for circulation expenses, to make a profit within rational limits, and to raise three funds just as state industrial enterprises do.

--The depreciation norm for major repairs to fixed assets will be adjusted together with an appropriate remainder to be granted to material trading and supply organizations.

--The current state system of limited floating capital will be applied.

--The profit rate for organizations which deal in materials will be calculated as follows:

Concerning materials supplied according to the state plan, these organizations will enjoy a rate of 1 to 1.5 percent of the sale turnover for each branch of goods. With regard to materials obtained by material trading organizations from various sources (including materials uniformly managed by the state), these organizations will be entitled to a higher rate which must not, however, be more than twice the fixed profit obtained by dealing in the same kind of goods according to state industrial enterprises.

--A unique price policy will be applied to materials uniformly managed by the state in order to stabilize prices and enable production and business installations to do economic accounting. Zonal prices will be applied to some kinds of materials and differences in transportation cost for such materials as wood, coal, and cement will be resolved.

All sectors at all levels must strictly implement the state regulations on price management.

3. Material Trading and Supply Network--This network will be organized as follows:

/At the central level/, the network which supplies ordinary materials will include general corporations directly subordinate to the Ministry of Supply and dealing in special branches of goods, such as gasoline, oil, metals, chemicals, electrical materials, equipment, and spare parts. This network

also includes the General Corporation of Coal Supply subordinate to the Federation of Coal Enterprises (Ministry of Mines and Coal), the General Corporation of Cement Supply (Ministry of Building), the General Corporation of Forest Product Supply (Ministry of Forestry), and the General Corporation of Agricultural Material Supply (Ministry of Agriculture).

The general corporations will organize directly subordinate supply corporations, centers, or stations which will be located in economic zones and have the duty to receive materials, to deliver them directly to production installations and districts within the assigned areas. At the same time, they can act as agencies for other branches of merchandise.

The duty of the above-mentioned material trading organizations will be to assess the nationwide need for materials belonging to various branches of goods, to place direct orders for these materials belonging to various branches of goods, to place direct orders for these material within the country and through importation, to receive materials, and to organize their distribution according to requirements.

In sectors which need large amounts of materials of special use, it is possible to set up a corporation to deal in the assigned special materials but it is forbidden to deal in other types of materials and to set up a network in other localities.

--/In provinces and cities/, and in areas which need large amounts of materials outside the supply plan of the central level, a material supply corporation will be set up for each of these localities. The duty of such corporations will be to exploit, purchase, and supply materials of local origin and to act as agencies of general corporations at the central level.

--/In each district and city/, it is possible to organize a material supply corporation directly subordinate to the district people's committee; this corporation will receive and supply materials to agricultural, small industry and handicraft cooperatives, to exploit, buy, and supply materials of local origin, and to act as supply agencies for general corporations and for corporations belonging to provinces.

Generally speaking, /in wards situated within municipalities, cities, and provincial towns/, it is not necessary to set up directly subordinate material supply corporations because the provincial or municipal material supply corporations will directly assume the task of dealing in and supplying materials.

Concerning the administrative management of materials by the state, the decree states the specific duties and competence of the Ministry of Supply and other ministries which supply materials or use equipment and materials, and also of people's committees at all levels.

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CSO: 4209/360

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

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Hanoi TAP CHI KE HOACH HOA in Vietnamese Sep 85 back cover

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## AGRICULTURE

### MINISTRY ISSUES DIRECTIVE ON TYPHOON DAMAGE CONTROL

BK180534 Hanoi Domestic Service in Vietnamese 2300 GMT 15 May 86

[Text] The Ministry of Agriculture on 15 May issued a directive on the task regarding flood and typhoon control for the protection of agricultural production. After dealing with the weather situation which has developed and which will possibly continue to develop in a complex manner in the coming period, with efforts made by various localities and establishments in flood and typhoon control, and with damage caused by floods and typhoons to agricultural production, the directive points out specific tasks to be done quickly and satisfactorily in order to prevent and control floods and typhoons, trying to minimize damage caused by natural calamities.

For various localities and establishments, the directive emphatically suggests the following five measures.

1. Map out production plans in a most assuring manner while preparing adequate steps to restore production in the wake of a flood or a typhoon. It is necessary to arrange appropriate crop sowing schedules to avoid losses and to pay specific attention to low-lying areas where floodwaters are deep and cannot be drained quickly. Each establishment must work out two production plans for use in normal situations and in case of floods or typhoons. This is to ensure safety for production under all circumstances.
2. Prepare enough crop seeds, including seeds for emergency use and seeds for short-time crops, especially those valuable and rare varieties, in order to ensure enough up-to-standard seeds for sowing the entire area in accordance with schedules. Particularly in the north, attention must be paid to maintaining satisfactorily winter crop seeds and providing close guidance for planting early winter crop plants.
3. Work out plans to provide good protection for the herd of domestic animals and poultry. In the wake of each typhoon or flood, efforts must be made to inspect environmental clean-up activities and to quickly give vaccinations against epidemics.
4. Safeguard the property of the state, of the collective, and of the people with emphasis on machinery, equipment, and storehouses for crop seeds, grain, fertilizer, and insecticide.



5. Recheck water conservation projects and repair or rebuild zonal embankments in order to ensure safety for production in each locality.

The agricultural sector must closely cooperate with the water conservation and electricity sectors in taking the initiative in preventing and fighting floods and typhoons in a most effective manner.

/9274

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LABOR

VIETNAM

#### HAIPHONG REGULATIONS ON RECRUITING LABORERS

Haiphong HAI PHONG in Vietnamese 15 Feb 86 pp 1, 4

[Article: "Decision of Municipal People's Committee on Recruiting Laborers, Receiving, Assigning Cadres, Workers, Civil Servants, Military Personnel, Students to Organs, Enterprises Within the City"--Text of Decision 16/QDUB of 4 January 1986 of The Municipal People's Committee]

[Text] Implementing the resolution of the Eighth Plenum of the CPV Central Committee on prices-wages-money and Resolution 38 of the municipal people's committee on ways to carry out the above Central Committee resolution, gradually switching the managerial system from state subsidies and bureaucratic centralism to economic accounting and socialist business, the municipal people's committee standing committee has issued regulations on recruiting laborers and students, and receiving cadres, workers, civil servants, military personnel and school graduates and assigning them to local organs and enterprises and to those under central management but stationed within the city. These regulations are, as follows:

##### I. Recruit Laborers

1. Enterprise and corporation directors may recruit additional laborers to fill production and technical requirements, but they are bound to observe all party and state procedures and policies toward laborers. At the same time, they may decline personnel assigned and introduced to them by superior echelons not compatible with their production and business requirements.
2. The labor service is designed to manage manpower and tap new replenishments in complete agreement with recruiting units concerning the applicant pool and recruitment arrangements, criteria, and policies.
3. It falls to ward and district people's committees to supply adequate numbers of high-quality laborers in keeping with notices issued by the labor service and the needs of units authorized to recruit laborers.
4. Units are encouraged to widely use contract labor and, step by step, achieve contract labor status between directors and laborers while ensuring compliance with recruitment procedures. Enterprise and building-site directors cannot recruit and employ laborers contrary to state and city regulations.

5. Each year, in making production, technical, and financial plans, production and business installations should draw up plans for recruiting laborers and students for submission to the labor service and vocational educational committee, which will make appropriate allotments. It devolves upon these two organs to refer sector and craft requests for agricultural laborers to the municipal people's committee for consideration.

## II. Transfer and Receive Laborers

### 1. Within the city:

a. Approval by the labor service and organization committee of the municipal people's committee is not required for the transfer and relocation of cadres, workers, and civil servants working at locally and centrally managed, city-based organs and enterprises, and having registered for permanent urban residence, and whose change of status has been directly agreed upon by both sides without going through the processing of related managing sectors; however, employment must comply with requirements, standards, and sector and craft qualifications for which transferees were trained.

b. Especially, cadres, workers, and civil servants transferred from the suburbs to the city must meet one of the following conditions:

--have permanent residence status in the city;

--transferee fathers, mothers, wives, and husbands have permanent residence in the city;

--are technical workers from Level 4 upward;

--are managerial and scientific-technical cadres earning 310 dong and more.

### 2. Transfer from the provinces to the city and vice versa:

a. Since transfer from the provinces to the city is severely constrained by inadequate living and housing facilities in urban areas, transferees must meet the following conditions:

--fathers, mothers, wives or husbands have permanent residence status in the city;

--are technical workers from Level 4 upward and proficient in those crafts for which the localities have a need but are not yet able to train workers;

--are managerial and scientific-technical cadres earning 333 dong and more.

Transfer of workers must be approved by the labor service and transfer of managerial and scientific-technical cadres by the organization committee of the municipal people's committee.

Other transfers must be reported by the organization committee and labor service to the municipal people's committee standing committee for approval--a prerequisite for transferees to apply for residence status with municipal public security.

b. transfer from the city to the provinces: It falls to the labor service to approve the transfer of laborers, workers, or civil servants directly involved in production and business; and to the organization committee of the municipal people's committee to do the transfer of managerial and scientific-technical cadres and civil servants indirectly involved in production and business.

3. Trainees for centrally managed schools are drawn from the pool of local applicants and are in keeping with employment opportunities. The city provides jobs to locally born graduates only. As for those from other localities sent by central sectors into the city for training, any decision by the school concerning their employment requires prior consent of these localities.

### III. Transfer of Military Personnel

--A common principle for honorably discharged military personnel is that they should return to the places from which they were called up, and it is the duty of local administrations to find jobs for them.

--Those having spent the required amount of time in the Army--5 years (60 months) for men, and 3 years (36 months) for women--are eligible for transfer; and organs and enterprises with job openings may take recruitment steps without having to rely on the managing sectors and labor service--as they did in the past. Demobilized military personnel selected for employment by state organs are considered new recruits, with no credit for the time spent on active service.

Points 1 and 2 of Section I above may apply to demobilized military personnel, who have residence status in the suburbs, or other provinces, and have been accepted for employment by municipal organs and enterprises.

### IV. Labor Cooperation with Foreign Countries

#### 1. Recruitment of laborers for overseas employment:

--The municipal people's committee assigns norms it has received from the state to sectors, wards, and districts which, in turn, reassign them to local installations under their control. It falls to enterprise and corporation directors and subward and village people's committees to recruit laborers meeting the qualifications and standards set by Circular 27/LDTT of 14 December 1982 of the Ministry of Labor. Sectors, wards, and districts are bound to send all recruits to the labor service.

--Municipal public security has the duty of investigating and issuing security clearances.

--Public health organs have the duty of examining recruits and making sure that they are healthy.

--The labor service has the duty of guiding, supervising, and controlling the recruitment of laborers for overseas employment, doing necessary paperwork for submission to the Ministry of Labor for approval and transporting laborers to gathering centers according to ministerial instructions.

## 2. Repatriation of Laborers:

### a. Repatriation of laborers having completed their tours of duty:

--a common principle is that homebound laborers, who formerly worked in state organs, or cooperatives, should return to their initial places, and that the latter's prior approval is required on all job transfer applications.

--those laborers, who formerly worked in society, should also return to their initial places, where they are accorded priority in being considered for state employment, and local administrations must provide them with jobs in keeping with sector and craft qualifications, for which they were trained abroad.

b. Those going home before the end of their contracts, as a result of personal shortcomings, are subject to administrative review and compensatory reimbursement prior to being eligible for employment.

Above are general regulations aimed at fostering the autonomy of basic installations and the laborers' right to collective mastery, at battling the practice of state subsidies, bureaucratic centralism, and authoritarianism, and at easing inconveniences for basic installations and laborers. It devolves upon the labor service and the people's committee organization committee to guide the implementation of these regulations and upon sectors and localities to regularly control that process at the grassroots level.

The present regulations will take effect from 1 January 1986 and all past conflicting regulations are abrogated.

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3 June 1986

## POPULATION, CUSTOMS, AND CULTURE

## ARMY PAPER REPORTS ON POPULATION DISTRIBUTION

BK171504 Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Mar 86 p 3

[Report by Viet An]

[Text] The redistribution of labor and people to develop land, labor, and occupations is aimed at satisfactorily exploiting the available resources to build socialism and defend the socialist fatherland. Redistribution of labor and people is also necessary for socioeconomic development and national defense and security both in long- and short-term periods.

Over the past 5 years, there has been remarkable progress in distributing labor and people. In each passing year, the task has improved quantitatively and qualitatively. After carrying out this task for 4 years, the 5-year targets have been fulfilled. In 1985, though facing numerous difficulties in all aspects, we made great efforts in distributing, in a 5-year period, 595,877 worker and 1,268,014 persons to various localities. Noteworthy is that these figures have symbolized new and lively factors which bring about new results in the labor and population distribution.

The immediate requirement of labor and population distribution is to move workers and people from densely to sparsely populated areas. At times, there was loose coordination between the place that sent the people and the place receiving the people to the extent that no place took real responsibility for carrying out the task. Recently, the labor and population distribution plan has gradually become a part of the socioeconomic plan of localities involved in labor and population distribution. Both sending and receiving places must take full responsibility, not only for sending people, but they [words omitted] for preparing essential conditions, organizing production, and stabilizing the people's life in order to build a new town and society for these people. Various sectors and echelons must optimally exploit all local potentials, invest capital, and use all available means to help them engage in production and stabilize their daily life.

Various forms of labor and population distribution have been carried out on the basis of the people's initiative under the close and active leadership and supervision of local party committees and administration. Many forms have been applied extensively, thereby contributing to improving the task quantitatively and qualitatively. Achievements have been scored at the Dien An cooperative, Phu Khanh Province; districts in Binh Tri Thien; and the coconut plantation in

Nghia Binh. Along with building models for land exploitation and occupation development, various new villages and districts in the Central Highlands and east of Nam Bo have cleared a vast area for cultivation. The An Dien state forestry site, Kien Giang Province; An Khanh and Co Do state farms in Dong Nai and Hau Giang Provinces respectively, have established models for implementing projects to optimally and effectively use natural resources such as planting trees on bare hills and accelerating afforestation in poor soil. These models have been applied in the midlands and mountain areas in the north, the sandy soil areas in the central coastal region, and the sulfate soil area in east Nam Bo, thereby coordinating forestry and fishery in the Nam Bo Delta, strengthening the three forms of state-run collectives and families, and ushering in a new direction for joint economic ventures and labour cooperation.

Reviewing the labor and population distribution task over the past 5 years, we have noted that in addition to distributing workers to various cooperatives and production collectives, some 227,726 workers and 469,391 persons have been sent to various state farms and forestry sites, especially to such key areas as rubber and coffee plantations, industrial, and forestry enterprises, thereby solving the shortage of workers which prevailed for many years. In each locality, the distribution task has been closely combined with production organization, thereby increasing the rate of distribution to 65 percent.

In carrying out the labor and population distribution task, we have also paid attention to economic development and national defense tasks. In some places, along with distribution, we have built combat positions, strengthened the economy and national defense, and maintained political security and social order and safety. On the other hand, we have strived to foil all the enemy's schemes and acts of undermining our economy and internal affairs as well as their psychological warfare and espionage activities. On the other, we have been training each worker to be a combatant in the construction and economic building fronts as well as a combatant in combat and combat-readiness to defend the fatherland. In reality, these tasks have yielded some results, especially in the mountain and border areas. In the Central Highlands for instance, in many areas of Gia Lai-Cong Tum and Dac Lac Provinces, the labor and population distribution task has helped reclaim land and satisfactorily organize socioeconomic life while increasing agricultural products and occupations and maintaining social order and safety.

Our available natural resources are very abundant: we have more than 20 million workers, a large number of them technicians and many ready for any kind of work. We have 7 million hectares of agricultural land and we can reclaim an additional 3 million hectares; 20 million hectares of forest land, and thousands of kilometers of coastline. The demands for national construction and defense are very great. As a result, we have completed the formulation of plans for labor and population distribution under the present conditions with limited facilities. We have entered the first year of the new 5-year plan. In 1986 the distribution plan has been set at distributing 282,310 workers and 676,970 people, 81 people to economic collectives and 73.5 percent [as published] for provinces. Regarding state-run business, the distribution is 25,710 workers and 49,290 persons for the rubber sector. The distribution this year is aimed at reclaiming 200,000 hectares of virgin land, of which 160,000

hectares will be used for cultivation. The state will provide more loans for capital construction to collectives than in previous years. However, the main objective is that we must still rely on the people's strength with the positive assistance from the state in exploiting local available capital. Various localities have completed their general charts and plans, thereby creating favorable conditions for designing programs and surveying production and populated areas. As a result, production orientation and product design will be clearly, promptly, and correctly formulated, thereby giving better results. The material bases serving the distribution process are improving to meet the requirements of various localities. Various weak bases will be strengthened, especially the central north-south base. Distribution plans will be concretely formulated for each region. Regulations on supplying grain, goods, fuel, transportation facilities, and materials will be established for sectors, echelons, and provinces.

Labor and population distribution has a direct relationship with the armed forces. During the past period, various army units have positively participated in this task and provided valuable assistance. With the present new requirements, various officers and combatants should enhance their sense of responsibility, tradition, and fine character to contribute to the general cause. They must positively participate in building material bases such as schools, living quarters, hospitals, and other public welfare projects, while closely coordinating with various echelons and sectors to improve the socioeconomic life and strengthen national defense and security, especially at various new economic zones. All these tasks are great contributions to the redistribution of labor and population in the new stage.

/9274

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POPULATION, CUSTOMS, AND CULTURE

VIETNAM

FAMILY PLANNING ACHIEVEMENTS, OBJECTIVES IN HANOI DISCUSSED

Hanoi HANOI MOI in Vietnamese 16 Mar 86 pp 1, 3

[Article: "The Family Planning Campaign in the Capital: The Annual Number of Births Reduced by 50 Percent Compared with the Period Prior to the Campaign; Marginal Results in the Outercity Areas; In 1986, We Will Strive to Lower the Birthrate from 2.26 to 2 Percent"]

[Text]

I. Review of Some Essential Data

Year	Population	Births		Deaths		Population Development Ratio
		Total	Ratio	Total	Ratio	
1981	2,570,757	66,800	2.60	13,449	0.52	2.08
1982	2,599,355	67,836	2.60	14,727	0.56	2.04
1983	2,674,428	71,244	2.66	15,753	0.59	2.07
1984	2,704,464	68,057	2.52	15,127	0.56	1.96
1985	2,750,000	62,250	2.26	15,400	0.56	1.70

In the past 5 years, chiefly in 1984 and 1985, the family planning campaign in Hanoi has obtained notable results. In the entire city, the birthrate went down from 2.6 to 2.26 percent, and the population growth rate decreased from 2.08 to 1.7 percent.

In particular, four wards, the town of Son Tay, and Gia Lam District had a population growth rate of under 1.5 percent (including the Hai Ba Trung, Ba Dinh, and Dong Da Districts that had a growth rate of under 1.3 percent). As for subwards, 75 out of 83 had a growth rate from 1 to 1.5 percent. The village of Yen My (Thanh Tri District) has been the leader of the whole city, with a growth rate of under 1 percent several years in a row.

Therefore, owing to the campaign for planned parenthood, every year, Hanoi has 15,000 to 20,000 fewer newborn infants compared with the late 1970's. If these results are compared with the 1960's, before the campaign was launched, there is a reduction of 50 percent in new births.

At present, in Hanoi, the average wedding age for women is 22.8 years (in particular, it is 23.5 years in innercity areas); the average age for having

the first child is 23.9 years (25.5 for innercity areas), therefore, there has been significant progress in terms of the requirement by which women will not give birth before the age of 22. However, the average gap between the first and second child is still 40.5 months, while the objective set is 60 months (5 years).

The above figures are averages. There was unequal progress in various localities. In the outercity areas, in many districts such as Me Linh, Soc Son, Trach That, Ba Vi, Dan Phuong, and Hoai Duc, the population growth rate was still 2 percent and above.

In outercity areas, 28 percent of women are getting married before the age of 20 (while in the innercity areas, the ratio was 3.3 percent). In Me Linh District in particular, the ratio was 53.8 percent, including women who got married before the legal age (18 years old)!

Women having three or more children still accounted for 30 percent of the total number of women giving birth. Surveys of those women showed that:

--31.91 percent liked having three children

--27.23 percent had some failure in family planning (primarily because of the failure to use contraceptive measures)

--26.25 percent wanted a male child, or an additional male child!

--14.38 percent wanted a female child (because they had had only male children).

Those figures deserve attention in the formulation of propaganda and education measures.

## II. Some Observations

1. The campaign for family planning has been conducted for many years. Many cadres and citizens, chiefly those living in urban areas, imbued with a correct and progressive understanding about planned parenthood, were easily disposed to comply with the invitation to give birth to only one to two children, including some families with only female offspring.

At agencies and enterprises, the number of people having two children are in the hundreds, and at districts, there are tens of two-child-only mothers. Especially, in Bui Thi Xuan Subward, no woman has a third child. The Hanoi Textile Plant is a young industrial outfit that has hundreds of workers giving birth to children every year, yet, since the inauguration of the plant 3 years ago, no woman had a third child.

2. The numbers of those taking contraceptive measures are increasing, making up 70.34 percent of prospective childbearing women.

The health sector has expanded its services on contraceptive techniques that have proved to be practical, convenient, and safe for users. At present, in



the city, there are 186 sites offering services in diaphragm fitting, 51 in fetus removing, and others, in regulating menstruation. Compared with the 1980's, those services are substantially increasing.

3. Under the guidance of the Hanoi Population and Family Planning Commission, activities in the family planning field had the merit of mobilizing the combined strengths of various government sectors and people's strata from the city down to districts and basic units. The municipal people's committee has also issued many down-to-earth policies that added vigor to the campaign. Many party leaders, government officials, and heads of agencies and enterprises, armed with thorough understanding and deep conviction in family planning, have efficiently contributed to stimulating the movement through the linking of family planning norms with production norms, and with a system of emulation and rewards. Most noteworthy was the case of Dong Anh District which, in the space of hardly a year and with active measures, has brought down its population growth rate from 2.37 to 1.55 percent.

4. Nevertheless, there still are a great many problems in terms of perception and conception about family planning, chiefly in the rural areas. They are usually centered around the following:

--Most families want both male and female children. Many couples having already one son and one daughter still want an additional male child; others having two sons, want an additional female child.

--Some families want three to four children because they think two children are too few!

--Perception in matters of child-rearing are too simplistic. People still think bringing up a child is simply a matter of adding a bowl and a pair of chopsticks at the daily meals, and of using used clothing of the older children.

Family planning is not homogenous, and is particularly weak in outercity areas, chiefly in the districts of Me Linh, Soc Son, Hoai Duc, and Ba vi.

Certain sectors with a predominantly female work force (commerce, construction, agriculture, and teachers of general secondary schools) in outercity areas, still have many employees giving birth to a third, fourth, and fifth child, thus, instead of helping, they hamper the movement. Some armed forces units do not have a good grasp of the requirements of the family planning campaign, and do not give adequate contribution in propaganda and proselytizing activities.

6. Although the health sector has extended its service networks in support of the family planning program, at certain places, a few personnel still have a bureaucratic and overbearing attitude, thinking they are doing favors for the people, and not wholeheartedly serving users of services.

### III. Objectives for 1986

In 1986, the common objective will still be: each family will have only one to two children, with a gap of 5 years in between; and women will not give birth before the age of 22.

The entire city will strive to lower the birthrate from 2.26 percent in 1985 to 2 percent, and in innercity districts, to 1.7 percent.

POPULATION, CUSTOMS, AND CULTURE

VIETNAM

TRUTH PREVAILS IN INVESTIGATION OF RICE SEED THEFT

Hanoi DAI DOAN KET in Vietnamese 17 Mar 86 p 10

[Our Daily Life column by D.T.: "From the Theft in a Rice Granary"]

[Text] The story about the rice granary of Cong Hoa Cooperative in Chi Linh District being burglarized and leading to a search in the home of Mr Nguyen Quang Truong of Loi Dong Hamlet in the same village, his son Nguyen Quang Thanh being jailed, and 922 kilograms of paddy being taken from his family had seriously aroused public opinion in the village. Mr Thanh repeatedly sent letters of complaint to the provincial, district, and even central authorities.

After having discovered the theft of rice seeds on 17 January 1978 and suspected Mr Truong's family as culprits, the public security force of the village and district, as well as the local authorities, searched his home and questioned his son, Nguyen Quang Thanh, 19, and his wife Van. In the interrogations, both of them--very scared--falsely admitted that they had twice stolen about 60 kilograms of paddy from the granary. With that evidence Thanh was put in jail where he remained from 21 January to 25 August 1978. Right after his arrest, he was brought to the granary where he was told to reenact the theft for picture-taking purposes. He did not know what to do because he had not actually committed the theft. The public security officers had to show him the way he would break the gate lock, climb to the roof to remove the tiles, and bring his body upward just like a thief for them to take his pictures.

But after keeping Thanh in jail for 7 months, they had to set him free because the public security people were unable to explain when 922 kilograms of paddy the cooperative had lost were stolen (except for 60 kilograms which Thanh had admitted he had stolen) and who stole the rest of the paddy. But the facts as they had happened were still unresolved. Mr Truong meanwhile continued to complain. The Provincial Inspection Committee, in coordination with the Organ of Control, office of the public security force, and organs concerned in Chi Linh District, actively investigated and hoped to arrive at an early conclusion in order to guarantee Mr Truong's and his family's democratic rights and freedom.

On 26 January 1980, the Provincial Inspection Committee came to this conclusion: Cong Hoa Cooperative would have to return to Mr Truong the quantity of paddy it had taken from him. Mr Bui Dac Chu, the granary keeper, who had shown his lack of responsibility, was to pay for the lost paddy. The public security force of Chi Linh District had to learn from this experience and to admit that it had been totally wrong in searching his home without any evidence of criminal offense, taking away 922 kilograms of paddy, putting Thanh in jail, and forcing him to reenact the theft which had not been proved to have taken place. However, the People's Committee of Chi Linh District and Cong Hoa Village were trying to delay taking any action; and not until 1984, under strict supervision by the People's Organ of Control of the province and district, did Mr Truong get back 922 kilograms of good paddy. The people of Cong Hoa Village now have more confidence in the state inspection and control organs which have done a good job in making truth prevail.

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POPULATION, CUSTOMS, AND CULTURE

VIETNAM

CADRE RETURNS TO JOB AFTER SUCCESSFULLY PROVING INNOCENCE

Hanoi DAI DOAN KET in Vietnamese 17 Mar 86 p 10

[Our Daily Life column by V.T.: "Wrongly Disciplined"]

[Text] Tran Quang Dinh, who was a cadre of the Agriculture Committee of Phu Tien District (formerly Phu Cu District) in Hai Hung Province, complained in a petition that nearly a decade ago he had been forced to resign and that he had done nothing wrong.

The story about Dinh being expelled from the party in a disciplinary action and forced to resign in April 1979 by order of Mr Pham Giang, deputy chairman, People's Committee of Phu Cu District, on the basis of his having allegedly taken a bribe of 82 dong and 2,000 pieces of brick and having had an illicit sexual relationship with Miss T, a public security cadre, aroused a lot of public opinion. The people who had been working for many years with Dinh in the public security organ and Agriculture Committee of former Phu Cu District believed he was innocent. Between 1976 and 1984, Dinh sent nine petitions to the district and provincial inspection committees and the District People's Committee, but the matter remained unsolved. The inspection committee of the province sent an official letter to ask the People's Committee of Phu Tien District to consider and resolve the matter within its authority, but it failed to do so.

As the inspection committee reviewed the charges which had led to the disciplinary action against Dinh, it found that there were official documents in connection with the 82 dong and 2,000 pieces of brick to show that he never received a bribe. There was no basis for any conclusion about the illicit relationship with Miss T.

Then how did the disciplinary action come about?

The file had not been reviewed by the person concerned; the organ in charge, which was the Agriculture Committee of the district, did not propose any disciplinary action, either. There was only an official motion signed by a single leading cadre at the provincial level. This cadre's act of oppression and deliberate abuse against Dinh received open disapproval from many people in the public security sector and organs around the district.

What later happened was that when he was seriously ill and knew that he would not be well again, Mr Pham Giang wrote a letter to the Phu Tien District CPV Committee and People's Committee to admit that the disciplinary action against Dinh was wrong because he was innocent, but that he was unable to resist the pressure applied by the provincial leading cadre and, therefore, had to sign the order requesting Dinh's resignation. Mr Giang proposed that the District People's Committee issue an early decision to bring Dinh back to his job. The matter was thus clarified.

On 24 May 1985, by the consideration of the petition by a group of inspectors of the State Inspection Commission sent to work with the Phu Tien District People's Committee, Dinh was reinstated by the committee in his job after nearly a decade of being wrongly punished. But regrettably, the restoration of Tran Quang Dinh's party membership has not yet been resolved.

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